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International Affairs

Press Notes Problems in Relations With U.S.

Special 301 Provisions

92AS1040A Madras *THE HINDU* in English
1 May 92 p 1

[Article by R. Chakrapani; boldface words as published]

[Text] Washington, 30 April: In a retaliatory action against India for its failure to protect adequately U.S. intellectual property rights, the President, Mr. George Bush, yesterday suspended duty-free treatment given to India for certain articles of Indian exports to the U.S. under a scheme known as the generalised system of preferences [GSP].

The suspension was ordered by a proclamation issued by the White House almost simultaneously with a notification issued by the U.S. Trade Representative, Mrs. Carla Hills, continuing India in a watch list of "priority countries" under the "Special 301" provision of the U.S. Trade Act. Special 301 provides for investigation of alleged acts of piracy of U.S. products and for taking retaliatory trade action against delinquent countries.

The notification newly names Taiwan as a "priority country" for watch under Special 301. India and Thailand, already named unreasonable trade partners, have been carried forward for further watch. India's continuance in the list of "priority countries" is apparently aimed at pressuring India to come to terms with the U.S. on an acceptable regime to protect the rights of U.S. manufacturers particularly in pharmaceuticals.

The proclamation said a determination had been made that India should no longer receive preferential tariff treatment under the GSP for certain eligible articles.

Pharmaceuticals and chemicals: The Indian items of export to the U.S. by the Presidential order include chemicals besides pharmaceuticals. However, other areas of bilateral trade were not affected by the Presidential notification.

Mrs. Hills expressed disappointment with the progress made in bilateral and multilateral negotiations with India on the issue of protection of intellectual property rights. She said failure to afford such protection discouraged research in its pharmaceutical industry which, she claimed, was sustaining a loss of \$60 billion worldwide because of piracy. The U.S. was as much interested in protecting tangible property as intangible property, she said. "We think that all countries believing in market forces must respect private ownership of property."

Mrs. Hills said the action taken against India covered a small part of U.S. trade but did not rule out the possibility of stronger action if called for. "It's just a rifle shot" she said "that is absolutely focussed on the entities that are benefiting from failure to protect pharmaceutical patents."

In the case of India, there will be no new investigations of its intellectual property regime for the reason that such a process has already been concluded. Negotiations are under way to persuade New Delhi to revise its intellectual property laws to U.S. satisfaction.

Financial loss: According to last year's figures, Indian GSP exports amounted to \$524 million of which pharmaceuticals and chemicals account for \$60 million. There will now be a duty on them—about five per cent, according to Indian sources.

The punitive element of the U.S. President's action against India is relatively a small financial loss to India but the symbolism behind was that India and other developing countries were being put on notice that either they adopt an intellectual property regime that protected U.S. commercial interests or be ready for retaliatory trade action. The White House action is evidently designed to mollify Capitol Hill critics such as Senator Baucus who are supportive of the U.S. pharmaceutical interests and demand action against countries including India that do not protect U.S. rights regarding intellectual property.

In February last, Mrs. Hills had set up an inter-agency group to come up with options to deal with India's alleged refusal to provide adequate legislative protection to U.S. producers.

India lodges protest

UNI reports:

India has lodged a strong protest against the Bush Administration's action in suspending duty-free treatment on the exports of its pharmaceuticals and chemicals.

The Indian Ambassador, Mr. Abid Hussain, called on Mrs. Carla Hills to put on record his Government's disappointment at the American trade sanction.

The action was "unjust and untimely" remarked Mr. Hussain, alluding to the otherwise improvement in Indo-U.S. relations.

India's Protest

92AS1040B Madras *INDIAN EXPRESS* in English
1 May 92 p 9

[Text] Washington: India has lodged a strong protest against the Bush administration's action in suspending duty-free treatment on the exports of its pharmaceuticals and chemicals in retaliation for New Delhi's alleged failure to protect U.S. intellectual property rights.

Hardly had president George Bush issued the proclamation to this effect on Wednesday when Indian Ambassador Abid Hussain called on U.S. Trade Representative (USTR) Carla Hills to put on record his government's disappointment at the American trade sanction.

The action was "unjust and untimely" remarked Mr. Hussain, alluding to the otherwise improvement in Indo-U.S. relations.

Earlier in the day, the USTR identified Indo-for the second year in succession with Thailand and Taiwan under its trade law provision "Special 301" as a trading partner that denied market access and protection for U.S. intellectual property rights such as patents, trade marks and copyright.

The retaliatory action denies India duty-free import privileges available to the developing countries in the U.S. under the generalised system of preferences (GSP).

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The action was taken at the recommendation of an inter-agency task force set up by the USTR to suggest punitive steps against India after a year-long Special 301 investigation last February had determined that its "denial of adequate and effective patent protection is unreasonable."

Though the task force is reported to have favoured the extension of punitive sanctions to all of India's duty free GSP exports which totalled \$524 million last year, the administration restricted it to the country's pharmaceutical exports which are estimated at \$60 million.

With the termination of the GSP, the Indian pharmaceutical exports will attract a five per cent duty—an annual loss of \$3 million to Indian manufacturers.

The USTR called the GSP suspension as a "rifle shot" absolutely focussed on the items benefiting from failure to protect pharmaceutical patents.

According to informed sources, the powerful pharmaceutical lobby and its supporters in the U.S. Congress had compelled the Bush administration to proceed against India.

HINDU Correspondent's Report

92AS1040C Madras *THE HINDU* in English
1 May 29 p 9

[Boldface words; quotation marks as published]

[Text] New Delhi, 30 April: The U.S. decision to withdraw duty benefits which the Indian pharmaceutical exports enjoyed under the generalised system of preferences (GSP) provoked an angry reaction in the Lok Sabha today with the Union Commerce Minister Mr. P. Chidambaram calling it "unjustified and unwarranted," and the entire House demanding a review of Indo-U.S. relations in the light of this development.

The issue dominated the proceedings for nearly an hour and there was a strong demand especially from the Left and the Janata Dal members, that India should "retaliate" by calling off its proposed joint naval exercise with the U.S. Members, cutting across party lines, also suggested that the House adopt a unanimous resolution "condemning" the U.S. action.

'An attempt to bully India': The decision was seen as an attempt by the U.S. to "bully" India into "surrendering" its economic sovereignty. The Opposition and the ruling party spoke with one voice in condemning the U.S. action and urging the Government to stand up to such pressures. There was also a demand that India should mobilise other non-aligned countries in resisting what the Congress(I) member Mr. Mani Shanker Iyer described as an attempt by the U.S. to reduce the rest of the world to the status of its "vassal States."

In fact, the demand for "reassessing" Indo-U.S. relations first came from the Congress(I) with Mr. Iyer pointing out how the Government approached the problem would be a "litmus test" of the country's "sovereignty." He said there was need to "reassess our entire relationship with the U.S." and stand up against "bullying." He urged the Government

not to treat it as a "technical" issue, because at stake was the question of resisting the U.S. quest for domination.

Mr. Chidambaram, intervening twice, said there had been misgivings that India would succumb to pressures on the Intellectual Property Rights (IPR) issue and not defend its vital interests. The U.S. action proved that the fears were misplaced. "We have taken a firm, fair and consistent stand on IPR," he said adding that despite misgivings, India had not yielded to pressures.

Comprehensive statement soon: Mr. Chidambaram said the Government would make a more comprehensive statement after it had received details of the U.S. presidential notification on the subject. He welcomed the Opposition offer of support to the Government on this issue.

Raising the issue during the zero hour, the Janata Dal leader, Mr. George Fernandes, said the Government should tell the U.S. that such "arms-twisting" was not acceptable and that it should desist from resorting to "high-handed" actions. The whole attempt, he said, was to block India's development. He demanded that India call off its proposed naval exercises with the U.S.—a demand also made by several Left MPs [Member of Parliament].

Offer of support: The CPI(M) [Communist Party of India-Marxist] leader Mr. Somnath Chatterjee said the apprehensions about U.S. motives had come true and India should convey its unhappiness "without ambiguity." Urging the Government to take appropriate measures he offered the Opposition support saying that there was need to project a "united approach." Let the House and the country not be divided on the issue, he said.

His party colleague, Mr. Hannan Mollah, called the U.S. action "international hooliganism" and said the U.S. ambassador in New Delhi be summoned and admonished. Other Third World countries should be mobilised to meet the U.S. pressures, he said.

Mr. Jaswant Singh (BJP) said the pharmaceutical exports were crucial to the whole question of patents and the country's economic sovereignty would be judged by whether it "buckled" on this matter.

'Attempt To Browbeat'

92AS1040D Bombay *THE TIMES OF INDIA*
in English 1 May 92 p 12

[Editorial: "Carla Hills Strikes"]

[Text] Mr. P. Chidambaram was reflecting the national mood when he told Parliament on Thursday that the U.S. trade action against India is "unjustified and unwarranted." He assured the nation that India would not yield to any pressure. The U.S. action has proved those people wrong who believed that the U.S. could be persuaded by India's step-by-step accommodation to see reason on the issue of intellectual property rights. The unilateral action by the U.S. against India, declaring that its pharmaceutical exports will no longer enjoy duty-free entry under the generalised system of preferences (GSP), has been described by MPs [Member of Parliament] as nothing less than "arm-twisting." It is pertinent to note that the GSP is a mechanism evolved by

UNCTAD [United Nations Conference on Trade and Development] to make it easier for developing countries to gain, despite their historical handicaps, a niche in competitive markets for manufactured products, and the U.S. and other industrial countries renewed their commitment to it at UNCTAD-VIII in February 1992. However, at the same time that the U.S. has removed the GSP on Indian pharmaceuticals, its trade representative, Mrs. Carla Hills, has once again placed India, this time along with Taiwan and Thailand, on the list of "priority countries" which will continue to be "watched" under the provisions of the Special 301 provisions of the U.S. trade law. This focus on India is part of a pattern. It may be recalled that Mrs. Hills investigated India, Japan and Brazil under Super 301 first and when India was exonerated, she carried out investigations against India, China and Thailand under Special 301. It seems that an attempt is under way to browbeat India into acquiescing in the U.S. scheme for a world trade regime suited to its own needs.

It is clear that sustained discussions, yielding ground to the U.S. on copyright and other issues and other attempts to propitiate Washington at GATT and elsewhere, have not made the Americans any more tolerant of the Indian point of view. Indeed, Mrs. Carla Hills has declared that she cannot truly say that India has a patent law. What this means is that the Indian Patents Act, duly enacted by a sovereign Parliament, is unacceptable to the U.S. In these circumstances, India is left with little option but to resist the arm-twisting as best as it can. This is not the best method of solving bilateral differences, but it is the U.S. government's pandering to its relatively inefficient and costly pharmaceuticals industry in an election year that has created this situation. India has always been ready for cooperation consistent with national interests and multilateral systems. Instead of appreciating this, the U.S. has taken such arbitrary action which has occasioned unequivocal condemnation by all sections of Indian political opinion and left no option to the government but to take countermeasures.

Commensurate Response Urged

92AS1040E Madras INDIAN EXPRESS in English
1 May 92 p 8

Editorial: "Carla Hills Strikes"

[Text] The U.S. Trade Representative, Mrs. Carla Hills, it must be granted, does have a peculiar sense of humour. While unilaterally imposing import duty restraints against Indian pharmaceutical exports to her country, she has insisted that "India is an ally of the U.S. and a good friend." A nice way that is to treat a friend who is an ally too, Mrs. Hills! Admittedly, Wednesday's presidential proclamation initiating discriminatory action against India denies the benefits of the duty-free generalised system of preferences (GSP) only to this country's pharmaceutical exports but there is an implied threat that at a later stage more export goods could be brought into the mischief of Special 301. These fears cannot be misplaced because, on Mrs. Hills's own admission, India continues to be on a list of "priority countries" which are being closely monitored for action under Special 301. India annually exports about \$60 million

worth of pharmaceutical products—mainly antibiotics, chemotherapeutic and anti-parasitic drugs—to the U.S. Thanks to Mrs. Hills's misplaced zeal, these will now attract restrictive imposts of about \$3 million and to that extent make the Indian products less competitive in the U.S. market. Irrespective of whether the Bush administration has flexed its considerable muscle in order to impress the U.S. public in the election year about its commitment to defend indigenous industry, the fact that it has singled India out for the maiden use of penal measures under Special 301 would certainly impinge on the quality of Indo-U.S. relations.

But now that the U.S. has acted against India, this country cannot anymore shirk its response which ought to be commensurate with the enormity of the U.S.'s ugly display of arrogance. Last February, when Mrs. Hills had put off action against India, this country's ambassador to the U.S. had expressed his sense of "gratification." Such cringing reaction, as it now turns out, was unwarranted, for the U.S. seemed to be determined to have its way in the disputes over trade related intellectual property rights (TRIPs). Indeed, U.S. unilateralism is proving to be inimical to the Indian interests. Mrs. Hills, singly or in concert with the GATT Secretary-General, Mr. Arthur Dunkel, could do grave harm to the future of the Indian economy. This country in principle has accepted multilateralism but that acceptance cannot mean the negation of its Parliament's sovereign right to frame laws. Mrs. Hills, Mr. Dunkel and other Westerners involved in negotiating a new basis for the conduct of international trade seem to grudge the developing world its right to protect its own interests. The responsibility therefore to stand up to this seeming gang-up of the rich nations against the relatively poor ones falls on India. Since there exists a broad consensus against the U.S. and GATT impositions the Indian Government must use the opportunity afforded by the U.S. action to warn the rich nations that it will not succumb to their pressures. The forum of G-77 should be used to lobby for a unified developing countries' position in TRIPs.

America Seen Interfering in Internal Affairs

Becoming Dictator

92AS1007A Varnasi AJ in Hindi 9 May 92 p 4

[Editorial: "America Moving in the Direction of a Dictator"]

[Text] In the rapidly changing scenario of international politics, President Bush's policy has been very aggressive and autocratic. It seems that communist tendencies are emerging in U.S. leaders. The victory that the United States got in the Gulf war with the help of other countries and using the United Nations as a front has made it blind with power. It also took political advantage of the disintegration of the former Soviet Union and is trying to become the most powerful nation in the world. By interfering in international politics, it is crossing its limitations. It wants to become the dictator of the whole world by using its economic and military might. Whenever such efforts to throw out democracy and establish dictatorships have been made, they have always failed. The rise and fall of Hitler and Mussolini in Europe are part of history now. However, it seems that such

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leaders still exist on the international political scene. The highhandedness of the United States is crossing all limits and has become a challenge to the world's independent and developing nations. It is a matter of pleasure and satisfaction that we have decided adamantly to oppose the U.S. dictatorship. The United States of America, which never tires of talking about democracy, humanism, and the value of human rights, is showing the true faces of its leaders now.

At the time the United States threatened India and Russia, Russian Foreign Minister Ganadi Varwalis (?) was still in India. The high-level Russian deputation that had come with him was working on an agreement for cooperation and new relations based on the old Indo-Russian friendship. The United States repeated its threat again at that time. Both countries were upset about this attitude, refused to submit to U.S. pressure, and demonstrated their independence and autonomy. Russia refused to accept U.S. pressure over the deal to transfer rocket technology to India. This indicated clearly that it was determined to sell rocket technology to India. It also made clear that it would not be possible to include American experts in this deal and that India and Russia would work on the whole deal by themselves. If necessary, advice would be solicited from nonaligned nations. The Russian foreign minister explained this in his press conference and said that Russia had decided not to accept U.S. pressure in any area.

This unfortunate attitude of the United States hints at what it really wants. The U.S. Secretary of State, James Baker, has written a letter to Indian Prime Minister Narasimha Rao and expressed his desire to provide rocket technology to India. It must have levied the restriction that India sign the NPT [Nonproliferation Treaty]. This makes it clear that the United States has vested interests in this deal. This interest is both political and economic. As for political interests, it does not want Russia and India to cooperate in space science technology. The United States is willing to sell missile technology to India on the condition that India sign the NPT. In the letter to Narasimha Rao, he was told to buy rocket technology from the United States under its conditions. There cannot be any worse example of how low the United States will sink for its economic and political interests. Another fact is that Russian rocket technology is much cheaper than that of the United States. This way, the United States can put economic and political pressure on India to gain its own selfish ends. India, just like Russia, should not bow to U.S. pressure.

International Gangster

92AS1007B Varnasi AJ in Hindi 9 May 92 p 4

[Article by Shailji Divavedi: "Americas: Increasing Steps Toward Hooliganism"]

[Text] After the extremely disastrous and scary World War II, the superpowers made many efforts to ensure that the world did not face such a war again. One of these efforts was the Nuclear Non-Proliferation Treaty [NPT] (1968). It is divided into seven sections, and its main goal is to stop the proliferation of nuclear weapons in the world. The superpowers wanted to get assurance from the signers of this

treaty that they would not develop or produce any more nuclear weapons in the future.

When this treaty was presented in the United Nations by the United States of America and the former Soviet Union in June 1968, more than 50 capitalist and communist nations signed it. This treaty became effective on 12 July 1970. However, India opposed it from the very beginning and considered it unfair. The main reason that India gives against the NPT is that while it stops countries that have no nuclear weapons from making such weapons, it does not ask the countries that already have nuclear weapons to destroy them. In addition, if a country with nuclear weapons attacks a nation without nuclear weapons, there is no clause in the article regarding what action the treaty's signers can take against the aggressor nation. There is just no mention of it in this treaty. This way, the treaty is really designed to help those nations that already have nuclear weapons, and India considered it totally inappropriate to sign it.

The NPT is the main cause of the problems between India and the United States of America. Relations between the two countries have become very bitter over it. At this time, the United States has stopped the supply of uranium to the Tarapur nuclear plant because of India's refusal to sign the NPT. It is also putting all kinds of pressure on India to sign the NPT. After taking action against India over U.S. trade pact 301 and relentlessly accusing India of exporting wheat, the United States is again pressuring India to sign the NPT.

While throwing the dice of this pressure, U.S. politicians must have been thinking that India would sign the NPT. It is important to mention here that the United States took full advantage of precarious economic conditions in India and was able to influence new economic and industrial policies being formed in India. However, U.S. pressure on India to sign the NPT is not only unethical, but also inappropriate. Indian Foreign Secretary J.N. Dixit strongly repeated India's firm decision not to sign the NPT during his recent trip to the United States and Great Britain. His strong stand made it clear that India, as an independent nation, is free to decide on its foreign and domestic policies, and that it would not be forced to bow down to pressure from a foreign power.

America's interest in making South Asia a nuclear-free zone is no less important. The whole world is endangered by the nuclear bomb. Why, then, is the United States of America afraid of South Asia? It is busy getting support from its lackey countries to push for making South Asia a nuclear-free zone. Knowing well that India does not support the idea of making South Asia a nuclear-free zone, the United States started to use Pakistan to say that it would be willing to make the region nuclear-free on the condition that India also sign the agreement. It should be known that India is using its nuclear capability for peaceful purposes and developmental projects.

India says that it has no plan in the near future to make nuclear bombs. However, keeping in mind the present situation, it cannot give any guarantee that it will never expand its nuclear program in the future. Two of India's neighboring countries, Pakistan and China, do not have

good relations with it. After many efforts, no viable solution to the India-China border dispute was found. Meanwhile, Pakistan is not yet ready to accept Kashmir as an integral part of India. India could have warred over these two issues with these two countries. Therefore, in this situation, when China has nuclear bombs and the Pakistani commander in chief admitted during his recent visit to the United States that Pakistan has developed the capability of making nuclear bombs, India must follow its traditional independent nation policy and refuse to bow to external pressure.

The fact is that after the disintegration of the former Soviet Union, there has been a polarization in world politics, and the United States has become the only superpower in the world. It has adopted the policy of applying pressure and is trying to establish its supremacy over smaller and underdeveloped nations. There are many examples of these efforts. One year after the Gulf war, the United States is still busy trying to totally destroy Iraq. At the same time, it has stopped 1 billion dollars in aid to Israel, its friend for decades, because it refused to obey U.S. orders not to establish settlements in Arab-occupied areas. Therefore, it is possible that the United States of America might use a super 301, from which it wants to expel India, to take action against it.

Must Be Resisted

92AS1007C *New Delhi JANSATTA in Hindi*
13 May 92 p 4

[Editorial: In Answer to America's Hooliganism"]

[Text] The United States wants its law to become the law of the world. Now that the Soviet Union has disintegrated, fear of the centralization of world power has become real. Even Russia will be unable to escape U.S. efforts. The deal that Russia signed with India three and one-half years ago to sell rocket technology is in jeopardy because the United States has told Russia to stop it. The United States is opposed to this agreement because it and its Western friends do not want rocket technology to be further developed. In other words, what they have developed is fine, but the rest of the world, especially Third World countries, will not be allowed to develop this technology. The United States of America and its friends made a pact known as the Program to Control Missile Technology. Russia is not a member of this agreement, and neither is India. However, the United States, as a hooligan, wants to enforce this system on countries that are not even members of this agreement and do not have any military goals such as using missile technology for launching bombs. India made an agreement with the former Soviet Union to help send its satellite into space for weather research and expanding communication. The defense minister visited the United States last month and explained this to the Bush administration. In spite of this, the United States put pressure on Russia and India to cancel their agreement, because it was against U.S. laws and the missile technology control system. Neither Russia nor India agreed to it, and now the United States has put restrictions on India's space research institute and Russia's Glavkosmas (?) institute. The restriction is that the United States will not provide any assistance to these two institutes, nor will it use them for any purpose.

The truth is that the technique used for launching satellites into space can be used to make missiles that can launch nuclear bombs on other countries. In other words, the techniques used for peaceful and productive projects can also meet military needs. No one is more aware of this fact than the United States of America, because it used space research byproducts for its Star Wars program. Before its disintegration, the Soviet Union was not far behind the United States of America in space research. It also knows that any peaceful research can be used for the military. However, what technology Russia would give India and how India would use it is something that can be decided between India and Russia. Did the United States of America and its Western friends build their space research program after getting the approval of Russia, India, and the United Nations? Who gave the United States of America the right to impose its rules on the whole world? It has power, and it uses it to prevent other countries from doing things that it does not like or that can endanger it. The United States and its allies do not want India to be able to launch its satellites or use its technology to the capability of throwing bombs on southeast or west Asia. Russia did not sign an agreement on missile control. However, the United States wants to drag it into this domain. It will be India and Russia who decide how to respond to U.S. hooliganism. We have never accepted the United States of America as the guardian of the world, and we never will let it impose any restrictions on us. This is an opportunity and a challenge to Indian and Russian scientists to ignore the United States of America and finish their space program.

Analyst Examines U.S. Motivations Towards India

92AS1008A *New Delhi JANSATTA in Hindi*
14 May 92 p 4

[Article by Jawaharlal Kaul: "What Does America Want From Us?"]

[Text] In order to stop the supply of cryogenic motors necessary for India's communication and weather satellites, the United States of America has not only applied political pressure, but also reached the extremes of imposing restrictions on trade and technical assistance. The United States argues that this program is against satellite technology proliferation control. In this agreement, the industrialized nations decided that long-range missiles could not be developed in countries that did not yet have the technology. There are only four countries in the world that have it, and Russia is one of them. India signed a trade agreement in 1990, according to which India was to receive two cryogenic motors and build a third one in India under the supervision of Russian experts. We had to pay \$200 million to Russia for this deal. The Bush administration says that Russia is breaking the agreement by providing this assistance to India. The fact is that the former Soviet Union never signed this treaty. After the fall of the communist regime and because of economic needs, Russia promised the United States of America that it would not provide this technology to any other country, since it could help make nuclear bombs or could be helpful in developing missiles that

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launched them. Russian leaders said that providing India with these motors was not violating the treaty.

The fact is that the cryogenic motor is a kind of engine that can launch heavyweight machinery in space from earth. Since the satellites are very heavy, a common satellite motor cannot lift them. For example, the long-range Agni missile has a motor that can take the missile to an altitude of 2,500 km. However, it cannot launch satellites into space. The Russian experts maintain that they have developed this motor for those Soviet satellites involved in making the success of the man-on-the-moon project. Therefore, this technology is not related to any weapon. The satellites that carry weapons have the specialty of being able to leave the earth's atmosphere at a very high speed. The cryogenic motor takes a lot of time to lift the satellite. Therefore, it is not useful from a military perspective. Mr. Aleksandr Dunayev, chief of Globe Cosmos, the Russian space center, has asked if the United States believes that if the cryogenic motor can be used for long-range missiles, then why did the General Dynamics and the Arian from France submit tenders in response to India's advertisement for the construction of this motor in 1989? The fact is that the U.S. company, General Dynamics, offered to provide the motor to India for \$800 million. Since the Russian bid was the most appropriate, and we had to pay only \$200 million, we accepted it. It is obvious that the U.S. Government did not think it wrong to provide cooperation to India at that time. However, it is now objecting to a similar trade agreement.

Let us concede that the cryogenic motor can be used for military purposes. There still exists the question of which field there is in industry now that cannot be used for military purposes. Electronics is a field that can be used for nonmilitary purposes; however, most of the implements used in modern warfare are built on the inventions of electronic industries. The accusation of double use can be levied at any industry, be it chemical or metal. Therefore, it is clear that when the United States does not think something is appropriate for it, it tries to condemn it one way or another. Many U.S. experts say that developing countries should not be given pure economic aid, because some of it is always used for military development.

The question is, what danger does India or the Soviet Union pose for the United States of America? With the disintegration of the Soviet Union, its military power has disappeared. The republics of the former Soviet Union neither have a desire to confront the United States, nor do they have the financial resources for a military confrontation. Thus, the former Soviet Union is no longer a danger to the United States of America. Still, its efforts to sell some of its industrial capabilities are being thwarted. There must be some reason for this. According to Aleksandr Dunayev, the United States wants to forcibly push Russia out of the very profitable space technology market. In other words, it does not want Russia to profit from its scientific discoveries. When such modern implements are not exported, their usefulness is diminished and Russia, like other developing countries, will regress to their pre-World War [II?] status. This will open markets all over the world for U.S. companies. All in all, it is trying to push its present and future competition out of the market.

The United States is more upset with India than with Russia. India has not signed the NPT [Nonproliferation Treaty], because it believes that this treaty is a conspiracy by some nations to control the whole world. Under this treaty, all the countries that have not made any nuclear bombs will be kept from this technology. Those who already have this technology will not have any restrictions imposed on them. For example, communist China has already made nuclear bombs. It has not only made weapons, but has also developed missiles for firing them. This way, if China signs the NPT, its nuclear power will not be affected. In other words, countries like India, which have developed nuclear technology on their own and have not made nuclear bombs, will not be allowed to make any. Therefore, restrictions are imposed on these countries. The question is not one of nuclear weapons, but of all nuclear technology. For example, Iran wanted to buy a nuclear implement from India, and India was willing to sell it. This was a pure trade agreement. However, the United States took advantage of our economic problems and pressured us into not selling the implement to Iran. Interestingly enough, Iran already has those implements, thanks to the United States of America. If there is no political enmity between Iran and the United States of America tomorrow, then the United States will continue to provide these implements to Iran for generating electricity. However, we cannot supply these for the same purpose.

This same principle is being imposed on satellite development. All of the satellites we have developed were launched with the help of Russia, the United States, and France. We have to pay heavy fees to these countries for it. We want to make arrangements for launching these satellites on our own. We can do that with the help of the Russian cryogenic motor. However, the objection is not that we will be able to launch one or two satellites in our own space centers. The Americans worry that according to our agreement with Russia, the first two motors will be manufactured in Russia and this technology will later be transferred to India, allowing it to make these motors on its own. This way, the business of charging fees for various satellite technologies will stop, and Western nations will lose a buyer from which they could receive a lot of money in the next few years.

The U.S. administration says that it does not matter whether the cryogenic motor is used for launching missiles because the satellite can also be used for military purposes. Both the United States of America and Russia know very well how the satellites can be used by the military. They are used mainly for spying on other countries. They can be used not only for making maps of the enemy's cities, dams, and buildings, but also for creating pictures of their military concentrations. The United States used such satellite technology to plan the famous Star Wars space program. However, this does not mean that because of such future use of satellites, no other country but Western countries should use satellites. If they are made, they must be made under the supervision of the United States. They must also use their services for launching them into space. This provides a double benefit. They will have full knowledge of our satellites, and we will have to pay heavy fees to launch them.

There is the reasoning that advanced countries should not provide technology to any country where there is regional tension. This term will be defined according to U.S. interests. Will the regional tension disappear if we do not make satellites and long-range missiles? For example, will the civil war in Afghanistan, the Kashmir problem, the fighting in Yugoslavia, the tension among the Russian republics, South African problems, the Israeli situation, and all the fighting in Latin American countries (in the neighborhood of the United States of America) disappear just because there are no long-range missiles and spy satellites? Is there any guarantee that everything will be fine during the next few years in all the regions where there is political tension? If this happens, will there be no new fights? The U.S. Government knows that all this will not happen. The United States has played a major role in starting various dispute. For example, it has a hand in the Arab-Israel tension. It is playing a role in the Kashmir issue, and the civil war in Afghanistan was fought under its sponsorship. Therefore, the U.S. reasoning that regions with political tension should not be given any high-level technology is baseless. In response to this reasoning, Russian specialist Dunayev says, "It appears that we will have to resolve problems all over the world just to meet the articles of our trade agreement with India." The fact is that Russia cannot resolve the world's problems, and neither can India. Therefore, these two countries should not write an agreement which could complicate the U.S. monopoly in any world market.

The industrial and economic system we have developed is the kind that forces us to look for foreign investment in order to keep it operational. We should not have the misunderstanding that foreign investment is the way to our development and self-sufficiency. We should also give up the misunderstanding that the West is helping us by providing this capital. Therefore, it would be better for us to consider this present phase of foreign investment as an interim or temporary step. There are basic flaws in our economic and scientific structure. We must remove these flaws; however, we have also benefited from this system. We are no longer behind in science and technology. We can rectify our problem by using our skills. We must have clear goals. We must stop being dependent on the West and should achieve a status where economic restrictions are not used as weapons against us. Mr. Dunayev expressed his disgust, saying, "We have been treated today as if we were criminals." He is unhappy about the fact that "we are being pressured unfairly, instead of being treated civilly and in accordance with the regular trade rules." However, we should understand that every nation that does not help it meet its economic goals is a criminal in the eyes of the U.S. political-economic system. Every nation is appropriate in the U.S. eyes if it acts in accordance with U.S. interests.

Reports on Troop Strength for Cambodia Differ
92AS1141A New Delhi INDIAN EXPRESS in English
19 May 92 p 1

[Text] New Delhi—A battalion of the Indian army, along with a detachment of engineers and doctors, has been airlifted to Madras en route to Cambodia to be part of the

United Nations peacekeeping force to help restore normalcy in the troubled nation and pave the way for democratic elections.

While External Affairs Ministry sources put the figure of troops at 2,000, the Defence Ministry said a battalion of the 1st Assam, consisting of 750 army men and 40 to 50 engineers and doctors were being sent.

The contingent, being sent following a personal request from Cambodian Premier Hun Sen, is one of the largest of the Indian army joining U.N. peacekeeping forces abroad.

Mr Sen had made a request to Prime Minister Narasimha Rao when he visited India last for Indian troops to be stationed in Cambodia to help with the peacekeeping process.

Official sources said the Cambodian leader was particularly keen on Indian troops as he was very appreciative of India's efforts in helping to bring about a truce between the warring factions.

India had played an important role in getting Mr Sen and Prince Sihanouk together for talks, which eventually led to a pact between the two to form an interim government prior to democratic elections.

Defence Ministry sources said the troops had been moved from the eastern sector and they would be moving in phases in the next few days.

India is already part of the U.N peace-keeping force stationed in the trouble-torn former republics of Yugoslavia. The force is led by an Indian general, Lt Gen Satish Nambiar.

'Most Senior' Indian Tourism Official Signs Draft Agreement

TA1706185192 Jerusalem Qol Yisra'el in English
1700 GMT 17 Jun 92

[Text] India's deputy minister of tourism says he hopes 50,000 Israelis will visit his country each year. (Menish Bahal), in Israel at the head of a tourism delegation, says that apart from isolated areas, his country is perfectly safe for Israelis. Le'a Zinder reports:

[Begin recording] [Zinder] The delegation is headed by Deputy Minister of Tourism (Menish Bahal), the most senior Indian Government representative to visit Israel. (Bahal) and Israel's Tourism Minister Gid'on Pat today signed a draft tourism agreement. The full agreement will be signed in India a month from now. Both men expressed the hope that tourism would pave the way to increased cooperation between Israel and India in other spheres as well.

(Menish Bahal) hopes that 50,000 Israeli tourists will visit India a year. He said they will be completely safe. If necessary, he said, his country would step up security, but he assured Israelis that except for Kashmir and the eastern areas, where there is a tourism presence, there was nothing to fear.

[Bahai] I give a guarantee to you that outside these troubled areas which we have mentioned just now, and lets not elaborate that too much, every part of the country is totally safe to Israelis.

[Zinder] He hoped that in the wake of the agreement, Israeli business people would join the some 7,000 Israeli backpackers who visit India each year.

Gid'on Pat said that India, with its 150 million Muslims, has the largest concentration of Muslims in the world, and he hoped the cooperation with India would spearhead better relations with the rest of the Muslim world as well. And meanwhile, the first tangible result of the tourist agreement will be four direct flights a week between Israel and India, beginning in September. [end recording]

More on Slovenian Foreign Minister's Visit

92AS1142A New Delhi INDIAN EXPRESS in English
20 May 92 p 11

[Quotation marks as published]

[Text] New Delhi—Slovenia is interested in importing Maruti cars along with other merchandise from India. It will also like to have Indian capital for the development of its hotel and tourism industries.

An invitation for Indian capital was extended by the Slovenian Foreign Minister, Dr Dimitrij Rupel, while addressing a press conference here on Tuesday.

Dr Rupel said Slovenia was already exporting technological and chemical items to India along with machinery and would like this trade to be extended.

The visiting Foreign Minister concluded his visit on Tuesday, after detailed discussions with the Indian Prime Minister, Mr P.V. Narasimha Rao, Minister of State for External Affairs, Mr Eduardo Faleiro, and other officials.

Dr Rupel said Slovenia would like the tripartite agreement between India, Egypt and Yugoslavia on reducing duties to continue till the expiry of the agreement in March 1993. After that Slovenia would like to have its own bilateral agreement on customs duties.

He said his country would like to extend exchanges and cooperation with India. However, its main interest would be European Community to which it belonged and it hoped to join it by the end of the century.

Describing Marshal Tito as an autocrat, Dr Rupel said that the Yugoslav Federation broke due to the internal problems created by Yugoslavian authorities. He said Slovenia did not separate or break away from the Yugoslavian federation but only dissociated from it. We hope to extend our cooperation with Europe in the future", he said.

Expressing his views on NAM [Nonaligned Movement], he said his Government felt that NAM was still an "important driving force" adding that "we may not subscribe to all the ideas of the NAM but we would like to be there as a guest or an observer. Our primary interest still lies with Europe". Dr Rupel said his country had already set up 20 missions abroad but it was not happy with the attitude of the U.S.A.

Papers Report, Assess UAE President's Visit

28 Apr Arrival, Activities

92AS1043A Madras THE HINDU in English
29 Apr 92 p 1

[Article by K.K. Katyal; boldface words as published]

[Text] New Delhi, 28 April: The UAE [United Arab Emirates] President, Sheikh Zayed Bin Sultan Al-Nahayan, arrived here today to a warm, cordial welcome on a three-day visit, considered important in the context of India's bid to fine tune its Gulf policy. The visit is intended to be used for realising the full potential of mutual cooperation in economic and political terms.

And given Sheikh Zayed's influence in the Gulf Cooperation Council [GCC], it will mean a big step towards the cozying up with the region as a whole. Peace and stability in the Gulf area will be one of the major subjects of his discussions here.

The President, Mr. R. Venkataraman's speech tonight at the banquet in honour of the visiting dignitary set out the broad objective of the dialogue with the UAE. "It is in the interest of both the UAE and India," he said, "to participate in the building up of a peaceful and stable environment in our region which covers both South Asia and the Gulf. The best method of creating such an environment is to strengthen our bilateral links, maintain regular consultations and develop a concrete convergence of interests through enhanced trade and economic cooperation.

Mr. Venkataraman made a pointed reference to the shared views and perceptions of the two countries—"We are inspired by the same enlightened goals in managing our respective societies; at the same time we both seek consensus and mutually beneficial cooperation with all the countries and peoples of the world. We have together worked towards the goal of a peaceful world based upon mutual respect, tolerance and cooperation. Both believe that development should receive the highest priority and that disparities between the North and the South should be equitably redressed. Our two countries share many common perceptions and interests in the region."

Special dimension: The presence of a large number of Indians in the UAE, the President noted, had "added a special dimension to our relationship." He was happy to find that the Indian community was contributing to the progress and development of the UAE. India, according to him, recognised the UAE as a modern State where people from different parts of the world lived harmoniously.

In Sheikh Zayed's leadership he saw a combination of political power and philosophical wisdom. He recognised the vital position of the Gulf in regional communications and global resources and said: "The liberation of Kuwait was indeed an act of affirmation of international legality."

The idea of the visit by Sheikh Zayed was mooted some three years ago, but did not materialise because of the political changes. It now coincides with a crucial phase in the post Gulf war era, when the issues concerning the region,

so vital to the two countries, have come to the fore. The value of the top-level interaction, therefore, could not be overestimated.

Sheikh Zayed had been here twice in the past—in 1975 on a State visit and in 1983 for the nonaligned summit. In 1961, the then Prime Minister Mrs. Indira Gandhi went to the UAE.

Sheikh Zayed's talks with the Prime Minister, Mr. P.V. Narasimha Rao, tomorrow will focus on the developments in the Gulf-South Asia region and the implications for it of the momentous global changes. On economic matters, they will be concerned with the areas of cooperation, not the nitty-gritty of specific projects, which will be the subject of follow-up discussions at the expert level.

The UAE may be interested in the setting up of a refinery, a hospital-cum-hotel project. The two sides will be pursuing the proposal for a joint investment company, first mooted during Indira Gandhi's talks in the UAE. The State Bank Capital Market and the Abu Dhabi Investment Authority have been talking about it lately.

In a brief interaction with press persons at the Rashtrapati Bhavan, the Sheikh said the UAE expected India to play its traditional role, which has been a positive one, to support the efforts for establishing peace and stability in the Gulf region.

Analyst on Talks

92AS1043B Madras *THE HINDU* in English
30 Apr 92 p 9

[Article by K.K. Katyal]

[Text] New Delhi, 29 April: The United Arab Emirates [UAE] President, Sheikh Zayed's meeting with the Prime Minister, Mr. P. V. Narasimha Rao, today held forth a promise of close cooperation between India and the UAE both in political and economic areas. Sheikh Zayed responded positively to Mr. Rao's suggestions for investments by the UAE in India, for joint ventures and for its role in the petroleum sector here.

The two leaders who met for 45 minutes without aides, and later with their delegations, covered the entire gamut of bilateral relations, apart from exchanging views on regional issues and the implications of global changes. The talks on economic matters served to provide an omnibus top-level clearance for various projects, the details of which, it was agreed, be worked out by officials.

The discussions at this level are certain to cover a proposal (not mentioned today but examined at length otherwise) for contribution by the Abu Dhabi Investment Authority in a special mutual fund to be administered by the State Bank Capital, a subsidiary of the SBI [expansion not given], to provide a channel for investment in the equity market. In November last year, the discussions in the UAE by the Commerce Minister, Mr. P. Chidambaram, had aroused considerable interest in this proposal. Incidentally, that visit had helped create awareness among UAE investors about the new investment climate in India.

Today's one-to-one meeting was marked by warmth and cordiality, as the two leaders agreed that there were new opportunities for bilateral cooperation. During the nine years since Sheikh Zayed's last visit, Mr. Rao noted, the world had undergone dramatic changes. The present visit, according to the Prime Minister, provided a welcome opportunity for a new impetus for all around cooperation, as the time was propitious for taking bilateral ties to a qualitatively higher level. The two countries had close, friendly relations, he said, while stressing the need for promoting high-level exchanges and people-to-people contacts.

Sheikh Zayed spoke of the similarity of the objectives and perceptions of the two countries on the "developments around," as also of the trust, friendship and understanding that provided the basis for their relations, before and after the formation of the federation. He referred to their common objective—of strengthening cooperation, especially because of the rapid changes in the world. The UAE, according to him, was willing to respond positively to ideas and suggestions in this regard.

During the delegation-level discussions, reference was made to the proposal for a hospital-cum-hotel to be built in India with UAE help. This project too figured in earlier discussions.

Agreement Signed

92AS1043C Madras *INDIAN EXPRESS* in English
30 Apr 92 p 7

[Text] New Delhi: India and the United Arab Emirates (UAE) on Wednesday signed an agreement for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and capital.

Finance Minister Manmohan Singh and his visiting UAE counterpart Hadman Bin Rashid Al Maktoum, initialled the agreement which supplements an earlier agreement between the two countries for avoidance of double taxation of income from international Air transport signed on 3 March 1989.

A press note said the agreement provides for taxation of enterprises of one of the states in the other state only if it maintains a permanent establishment or fixed base.

The permanent establishment principle frees from taxation in the source country casual business transactions which do not involve the presence of the enterprise for a considerable period of time.

The agreement provides for total exemption of shipping profits in the country of source and seeks to reduce the rate of taxation of investment incomes in order to encourage flow of capital, technology and technical service from one country to the other to their mutual advantage and benefit.

It also provides for concessional treatment to students, teachers, artistes and athletes.

Regional Affairs**Commentary Views Pakistani Design in Occupied Kashmir**

BK0506124592 Delhi All India Radio General Overseas Service in English 1010 GMT 5 Jun 92

[Virendra Mohan Trehan commentary]

[Excerpt] The Shia-Sunni riots in Pakistan-occupied territory of Gilgit resulting in scores of deaths indicate Pakistan's design to systematically change the demographic character of the occupied territory by marginalizing the natives of the region. This also speaks of religious intolerance, tribal and ethnic cleavages, and frustration caused by stagnation of a frugally-controlled economy. The riots also served mental food for those who are playing in the hands of Pakistan, whether in Punjab or Kashmir, to think that the anti-Indian campaign of Pakistan or its assurances to the misguided youths in the bordering states of Kashmir and Punjab for so-called freedom from India or economic prosperity is a mere myth.

The assassination of Maulana Riazuddin, President of the Anjuman-i-Sipah-i-Sahaba, which sparked off riots in Pakistan-occupied Gilgit reveals the pattern of many similar assassinations in the past. Pakistan has been adopting narrow sectarian policies and its rulers have been overlooking the political, economic and social grievances of different nationalities and mishandling them. Some of the highly venerated ulema, who have been assassinated for political or sectarian reasons in the recent past, include Allama Ehsan Ilahi Zaheer, Allama Ariful Hussaini, and Maulana Haq Nawaz Jhangvi. None of the assassins have so far been punished. The murder of Maulana Jhangvi was followed by a violent attack from Shias living in Gilgit and other places. This happened again with the assassination of Maulana Riazuddin. Pakistan has in a planned move settled the people from other parts of the country in Gilgit. Most of the new settlers happen to be the Sunnis. This has apparently annoyed the natives who are mostly Shias.

It appears that the violence of Sunday [31 May] was triggered by the killing of a spiritual leader of the Sunnis. Maulana Riazuddin Mohammad, leader of the movement for the enforcement of Sunni Islamic law, was sprayed with automatic machinegun fire. In addition, some gunmen shot Shamsuddin Rizvi, leader of the rival movement for the enforcement of the Shi'ite Islamic law. What followed was a bloody drama leaving more than a dozen dead including a teenage girl and the local UNICEF director, Mohammad Hussain Gauhar. Gilgit has been placed under indefinite curfew. The army is patrolling its streets.

Pakistan's treatment of the people living in what are called the northern areas, which include Gilgit, (Ghizar), (Ghanche), Baltistan, and (Dayanmir) constitute a total area of 72,496 square kilometers with 5.74 million people who have evoked widespread resentment. These areas have been constituted into a separate administrative unit and placed under the direct control of the Islamabad government. The remaining area has been constituted into another unit called

Azad Kashmir. The territory formed part of the unpartitioned state of Jammu and Kashmir but was occupied in 1948 and directly incorporated into Pakistan.

The demands for greater autonomy to the territory have been ignored by Islamabad. It is alleged that the reason for the neglect of the Kashmiris of the northern areas, particularly of Gilgit, is that most of them are Shias who are treated unfairly. The territory is governed by an official nominated by Islamabad called the Administrator and the people have no right of recourse to courts against his decision. The Shias who live in considerable numbers in the territory have complained of discrimination and violent attacks. Recently, Allama Fazal Hussain Musavi, leader of the Tehrik-i-Nifaz-i-Fiqah-i-Jafria, a Shia organization, complained that Shias have been killed in the northern areas just because of their faith and that the local administration had failed to protect them. The administration had imposed restrictions on the observance of Muharram and that government officers belonging to the area were being victimized and transferred to other parts of Pakistan. He demanded this before the administrator of the territory and warned that Shias would start a civil disobedience campaign, if the harassment of the members of their community was not stopped [sentence as heard]. [passage omitted]

Transfer of Land to Bangladesh Remains Controversial

Solution Badly Needed

*92AS0869A Calcutta ANANDA BAZAR PATRIKA
in Bengali 3 Apr 92 p 4*

[Editorial: "Tin Bigha: An Unending Solution"]

[Text] The decision of leasing "Tin Bigha" land to Bangladesh is almost confirmed. It was announced in Parliament on behalf of the central government. It is an international treaty signed by the two late prime ministers, Indira Gandhi and Sheikh Mujibur Rahman on the basis of the Nehru-Noon treaty. Unnecessary time was taken to implement this treaty. As a result, the relationship between these two close neighbors did not become easy. Common people of the neighboring country were suspicious about the seriousness of the Indian Government. It was, therefore, necessary to implement this treaty immediately without further delay. The central government did its job. The transfer of land would officially be made on forthcoming 26 June. The West Bengal government also agreed with the decision of the central government. The chief minister Jyoti Basu was in favor of implementing this international treaty. Because Forward Block, one of the partners of the ruling Left Front government, protested, he wanted to make sure that the sovereignty of India would be maintained and the right of the people of Kuchlbihar and Mekhaliganj to travel would be ensured. In fact, the central government has assured the state government about those two matters. Actually, India and Bangladesh reached an agreement on this.

The aggrieved Forward Block leader Kamal Guha is leading the people who are against this transfer. As a party, Forward Block is not behind Kamal Guha, but a few leaders and some MLAs [members of Legislative Assembly] of the party

are supporting him. But the BJP [Bharatiya Janata Party], as a party, is against this land transfer. Although the strength of this party does not count that much in this state, it is still trying to make some political benefit in the name of the communal issue in the bordering areas of Bangladesh. Unfortunately, Kamal Guha and his followers are muddying the water and trying to fish in troubled waters. His ouster from the ministry may have agitated Kamal Guha against Forward Block and CPM [Communist Party of India-Marxist] leadership. But it does not make sense to embarrass the government at each step for that reason. And to achieve this goal, the way Kamal Guha and his followers are inciting the people and threatening the government to foil this transfer by organizing a people's movement are not desirable. In this process hatred and hostility have been spread against the neighboring country. The requests from Forward Block leadership failed to restrain Kamal Guha, and finally, the party served a "show cause" notice to him. But Kamal Guha is irresistible. He did not tone down his protest and daily, his attitude and activities are becoming more and more aggressive. In the name of the inconvenience of the people of Kuchlbihar, the protesters are trying to block the transfer of "Tin Bigha" land. The question of friendship and good feelings of the people of these two countries are not important to them. Being the officially recognized opposition party, the role of BJP in this matter cannot be considered responsible. It is heard that this party has organized a "suicide squad" to stop the transfer of this "Tin Bigha" land. This dangerous game should be stopped immediately.

Nobody is saying that the people of Kuchlbihar and Mekhaliganj will not face any problems because of the transfer of "Tin Bigha" land. Some problems will remain, of course. But the people of the villages of "Dahagram" and "Angarpota" of Bangladesh have been suffering more. They are living in a place that is practically separated from their country. The kind of problem with this enclave exists in many places that were originated during the partition of India. Now, the partition is a historical fact. We, therefore, should try to find some peaceful and democratic means to solve the problems related to the partition. To lease the "Tin Bigha" land to Bangladesh is the right step in that direction. If the transfer of this land is done peacefully, it is possible to solve other kinds of problems relating to enclaves between these two countries. In the name of keeping sovereignty or to fulfill narrow local political interests, nobody should try to foil this good attempt. The government of Narasimha Rao should not stop here. They should try to solve the big problems, which stand in the way to establishing good relations with Bangladesh. The problem of water distribution is one of those. In fact, if these large bilateral issues are solved, it is easier to solve the other, smaller problems like those of enclaves, etc. The government should pay more attention to this matter.

CPM Pressuring Reluctant Partners

92AS0869B *Calcutta ANANDA BAZAR PATRIKA*
in Bengali 2 Apr 92 p 4

[Article by Debasish Bhattacharya: "By Subduing Kamal Guha, Will CPM Gain Forward Block's Confidence?"]

[Text] Forward Block issued a "show cause" notice to Kamal Guha, and this news is not surprising. Because everyone knew that something like this could happen at any time. In fact, because he was not made a minister by his party, he was annoyed with the party leadership. And because he spoke some unpleasant but harsh words that appeared to be true, he was blacklisted by his party. The group controlled by Ashok Ghosh and Nirmal Basu, which is still very powerful in the party, was looking for an opportunity to cut Kamal Guha down to size. Finally, Kamal Guha himself gave them the perfect opportunity by criticizing the governor's speech in the assembly.

Now, it is still to be seen that how far Kamal Guha can go with his crusade. He may end up a spent-up force like Jatin Chakraborty. Or, if he can get his district Cooch Bihar to cooperate with him, he may develop an organization. But everything depends on his complete separation from Forward Block. It is entirely an internal affair of the party. It does not affect the common people. Moreover, in the political structure of West Bengal, the existence of political parties like Forward Block is so unimportant that if the party breaks, it would not make any difference in the overall political picture of the state.

Still, the "show cause" notice on Kamal Guha was important on the basis of the issue. Mr. Guha protested against the speech of the governor in the state assembly in which his opinion was given favoring the transfer of "Tin Bigha" land. The Forward Block leadership served him with the "show cause" notice as a punishment of that protest. In the so-called Left-Front feudal system, CPM [Communist Party of India-Marxist] is the feudal lord while the other parties like Forward Block, RSP [Revolutionary Socialist Party], CPI [Communist Party of India], etc. play the role of the servants. It is not possible to do something in their interests that could offend CPM. But when these parties speak about great things and with fiery rhetoric ask the people to vote for them, it becomes difficult to pardon their hypocrisy. For that reason, however unimportant might be the difference of opinion between Kamal Guha and Forward Block, Kamal Guha was able to unmask the political hypocrisy to a certain extent by raising the debate about Tin Bigha. This incident, therefore, has some value regarding the understanding of the common people.

Forward Block was on the field from the very beginning against the transfer of Tin Bigha to Bangladesh. This party has the record of a successful movement against the transfer of Berubari that took place in 1963. So, no one questioned the honesty of the party this time when it started the movement against the transfer of Tin Bigha. The decision to transfer Tin Bigha was based on the India-Bangladesh Pact. Whether the decision is right or wrong, or whether the sovereignty of India would be intact or not, or whether crime or excitement on the border would increase or not—all these matters are to be judged in a different place. I am not going to discuss these matters in this article. What I want to say here is Forward Block took the leading role against the transfer of Tin Bigha among all other partners of the Left Front. Their party organization in Cooch Bihar district is comparatively strong. Forward Block jumped on

the issue to stop the transfer of Tin Bigha with the help of the strength of the party organization in the district. Ashok Ghosh supported the move from Calcutta. Forward Block's policy on the issue got a place in the election manifesto of the party. It claimed that the transfer of Tin Bigha would be stopped even by blood. The party published a pamphlet on the issue written by Ashok Ghosh. Leaders like Ashok Ghosh and Chitta Basu delivered fiery speeches when they visited Tin Bigha. Until then, the mathematics was correct. But was there a secret circular distributed among the party's members of the assembly to thank the governor for his speech, which favored the transfer of Tin Bigha? Were they told that when the CPM masters wanted the transfer of the land, they should not oppose the move? The leaders and the ministers of Forward Block, who even a month ago gave fiery speeches against the transfer of Tin Bigha when they visited Cooch Bihar, remained silent and thanked the governor for his speech. Is it called political honesty? The cabinet approves the speech of the governor. I want to know when the governor's speech was discussed in the cabinet, why didn't the Forward Block ministers oppose the matter? So, it is assumed that they approved the speech of the governor. And as they did so, they did not tolerate the opposition of Kamal Guha. Then, which one of these is pretension—to oppose the transfer of Tin Bigha or to support the decision of the government?

In 1980 after the return of Indira Gandhi to power, an attempt was made to transfer Tin Bigha. Many of us know that Jyoti Basu wanted to get this matter approved immediately in the cabinet due to the pressure of Indira Gandhi. It might be the case that Jyoti Basu was afraid that if he did not do that, Indira Gandhi might be angry at the Left Front government. As far as I know, Kamal Guha, who was then in the cabinet, opposed it and put some conditions on it. The cabinet proposal including those conditions was sent to the central government. Now, the final date of the transfer has been declared. What happened to those conditions of Kamal Guha? Did the Forward Block leadership want to know about that? Leaders like Ashok Ghosh and Chitta Basu are secretly visiting Jyoti Basu. They discussed the matter there, and after coming out, they issued a statement that they had imposed some conditions on the transfer of Tin Bigha. They said that the chief minister promised to discuss the matter with the central government, and, unfortunately, the other leaders and the workers of the party had to trust these assurances.

I repeat that I do not want to raise the question about the justification of the transfer of Tin Bigha. What I want to say is why the party of Ashok Ghosh is taking such a hypocritical role. Chitta Basu and Ashok Ghosh know Jyoti Basu more than any person. There is no need to explain to them about the importance of the assurance or promise of Jyoti Basu. If they were satisfied with the assurances of the chief minister, they could have postponed the movement for the time being. But they did not do that. It means that they did not misunderstand the real meaning of the assurances of the chief minister. But this servant party does not have the courage to launch an active protest movement against that. But the beginning of another movement is necessary to save face. For that reason, they served a "show cause" notice to

Kamal Guha and made a positive statement after the discussion with Jyoti Basu. At the same time, they declared a movement to protect Tin Bigha. I feel pity for these small parties, which are completely subdued by the giant CPM. If it need be, they could sacrifice their lives in exchange for getting some favor from the master.

Another incident like Tin Bigha took place a month and a half ago. A land survey was conducted on the border of Berubari in the Jalpaiguri District. It was discovered that seven villages shown in the map did not exist. Forward Block was the first to protest and stopped the survey. After a few days, Jyoti Basu went to Jalpaiguri to attend a convention of the owners of tea gardens. The local CPM leadership complained to him against Forward Block. With his usual attitude, the chief minister expressed his dissatisfaction with Forward Block. In spite of such an insult, Ashok Ghosh and his colleagues did not openly utter a single word. Probably they did not have the courage. Now, it is heard that at the time of discussing Tin Bigha, they raised the matter of the map of Berubari to Jyoti Basu. It is known that after reviewing the map, Jyoti Basu remarked: "This kind of matter? O.K., I have to look into it."

When the chief minister looks into it, only he knows. How Forward Block will be satisfied, only they know. Common people like us have one simple question to ask: "By subduing one Kamal Guha, you may get CPM's favor, but can you get back the trust?"

Commentary Views Refugee Influx From Bangladesh

BK0706132392 Delhi All India Radio General Overseas Service in English 1010 GMT 7 Jun 92

[A.C. Pandey commentary]

[Text] The problem of the influx of refugees, including Chakmas, were discussed in detail when the Bangladesh prime minister, Begum Khaleda Zia, visited New Delhi last monthend. The joint communique issued on the last day of the visit implicitly mentioned the problems being caused due to the large-scale illegal immigration of people across the borders. Both the prime ministers expressed the determination to stop illegal movement of people across the borders by all possible means, including the strengthening of existing arrangements and mutual cooperation in this regard. Mr. Narasimha Rao and the visiting prime minister, Begum Zia, had also agreed to arrange speedy repatriation of Chakma refugees to Bangladesh in full safety and security.

The question of illegal immigration of Bangladeshi nationals into India has been the subject of any number of official-level discussions, a host of proposals aimed at stemming the tide of masses from across the border as it continued to hang fire [sentence as heard]. Foremost among these is the suggestion of border fencing on the lines of what is being done in Punjab and Rajasthan. But as illegal immigration is not viewed on par with terrorism by the country's decisionmakers, the cost has been an inhibiting factor here. It costs nearly rupees [Rs] 10 million to fence

five kilometers. It would cost West Bengal alone approximately Rs920 million to fence around 460 km of its border. The illegal migrants are fanning out all over India, but the large chunk of the burden continues to fall on West Bengal.

Not surprisingly, there is a little agreement between Bangladesh and India and on the dimension of the problem. Even as India and Bangladesh are preparing to set up a joint task force to attend to the problem following Bangladesh Premier Khaleda Zia's visit to India last month, the task at hand for the Border Security Force [BSF] looks near impossible. The 4,096-km Indo-Bangladesh border is one of the most difficult boundaries to police. Around 1,058 km is the river (?terrain) border, an international boundary often falling midstream. There is a river patrolling, but Border Security Force personnel are the first to admit that it is near impossible to be vigilant 24 hours. The international border cuts across paddy fields, plantation, tunnels, and rivers. And unlike on the western side, there are at some places villages right up to the zero line.

On the ground, the picture is alarming. Official statistics provided by the BSF shows that out of the 50,713 illegal infiltrators, who were intercepted by the border security guards, a significant 39,489 were nabbed trying to cross the West Bengal border. In 1990, the number of infiltrators who were caught from this end jumped to 55,774. Last year, of the total 82,585 Bangladeshi nationals caught trying to cross over illegally and pushed back physically, 75,330 were intercepted near about the West Bengal border. And this year, in the first two months, the BSF had caught 8,690 Bangladeshi illegal migrants along the West Bengal border. The total number of such infiltrators nabbed near the eastern border for the same period last year was 9,063.

Numerous requests by India to Bangladesh to ensure the safe return of Chakma refugees had earlier failed to elicit a favorable response. The New Delhi decision last month marks a significant step forward in this direction. At present, some 55,000 Chakma refugees are camped mostly in Tripura causing tremendous burden on the fragile economy of the state. Nearly Rs57.5 million are being spent annually at the rate of Rs2.30 lakhs daily from the Indian exchequer on these refugees. Reports of influx of Chakmas have come following Bangladesh Government's attempts to rehabilitate the Rohingya Muslims from Myanmar [Burma], in the Chittagong Hill Tract [CHT], the Chakma's traditional homeland. This has resulted in fresh atrocities on the Chakma tribals by the Bangladeshi security forces. The (Logong) massacre in early April this year, when 200 tribals lost their lives, is still fresh in mind.

Indeed the crisis of the Chakma community, that is, the ethnic threat that this predominantly Buddhist hill tribes settled in the Chittagong Hill Tracts is facing from Muslim settlers began soon after the partition of undivided India in 1947. On 16 August that year, the Chittagong Hill Tracts much against the wishes of Chakmas were, as a result of the arbitrary declaration of Sir Cyril Radcliff, the chairman of the Bengal boundary commission, given to Pakistan even though as Buddhists most of them had been led to believe till the last that CHT would be in India. The Chittagong Hill Tracts were included in 1900 in Assam. However, following

Sir Radcliff's declaration, the Pakistan authorities lost no time to bring settlers to the land of ethnic Buddhist people of the Chittagong Hill Tracts. No constitutional provision from the interproject tribal customs, land, and ethnic identity from encroachment [sentence as heard]. The immigration of Bengali Muslims into the region was boosted to such an extent that the demographic profile of the area was completely altered.

Central Asia Seen Battle Ground for Competing Powers

92AS1097A *New Delhi JANSATTA in Hindi*
25 May 92 p 6

[Article by Ray Singh: "A Tug of War Between Turkey, Iran, and Pakistan"]

[Text] A summit meeting was held in Ashakabad, the capital of Turkmenistan, on 10 May. The president of Turkmenistan had invited the republics of Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, and Azerbaijan. In addition, he invited Turkey, Iran, and Pakistan as guests. If the summit meeting was limited to the five Central Asian Muslim republics, then its importance would have been limited to the Central Asian region. However, the inclusion of Turkey, Iran, and Pakistan in the meeting has made it clear that the Central Asian Muslim republics want to establish a new Islamic bloc with the help of these three nations. It has not been decided what this Islamic bloc will be like and what its goals will be. However, it has been decided that the basis of this coalition will be the Muslim religion.

It was Lenin who actually gave the form of republics to the Central Asian Muslim countries. Before the October 1917 revolution, the people of Central Asia were recognized as various tribes. Several tribes were settled in Bukhara, Samarkand, Khiva, and other regional cities, and they usually lived by fighting and looting among themselves. Lenin, the father of the former Soviet Union, united these tribes for the first time in Central Asia and changed them into republics at the political level. The basis of these republics was not religion. Lenin had organized these Central Asian republics to give some stability to the expanded region of the former czar's empire. After being part of the Soviet Union for about 70 years, these Muslim republics are trying to return to the past on the basis of Islam. If looked at objectively, these Central Asian republics have no other option before them.

This past January, the Central Asian republics accepted membership in the Russian Commonwealth and joined Russia politically and economically. However, none of the members of the Russian Commonwealth were satisfied under Boris Yeltsin's leadership. The fact is that when, on 7 May, the Russian President and Prime Minister Boris Yeltsin announced the organization of the Russian armed forces, he uprooted the Russian Commonwealth that he had himself established. His declaration indicated clearly that he wanted to control the other countries within the Russian Commonwealth. He had already made Leonid Kravchuk, president of the Ukraine, his enemy over the naval fleet in the Black Sea. President Kravchuk announced on 7 May that the Russian Commonwealth was finished. Kravchuk

did not participate in the summit meeting of the Russian Commonwealth, held in Tashkent on 15 May. In the resolution passed at the Tashkent meeting, only five of the 11 members were willing to sign. Many differences were borne in the Russian Commonwealth over the division of property, weapons, the naval fleet, and other holdings. No decision has been made about these yet. How can they come to an agreement when the most powerful member of the Russian Commonwealth is suffering from serious economic problems, and the people do not even have enough to eat and drink? In this situation, the leader of the Russian Commonwealth has no clout left. Therefore, it is natural for the Central Asian republics to form a coalition because of their common religion and to look for means of security with the help of their fellow religious countries, Turkey, Iran, and Pakistan. This way, they would be able to establish a separate religious identity for themselves.

There are a lot of problems in the Central Asian Muslim republics also. Such unrest is natural because, for 70 years, these republics were practicing secular—or rather, antireligious—politics. Either old communist leaders are ruling these republics, or they have influence over them. For example, Rahman Nabiyev, the Tajik president, did not participate in the Ashakabad summit meeting on 10 May, because he was worried about remaining in power at that time. The president of Azerbaijan could not participate either, because he was so involved in the Nagorno-Karabakh issue that everyone was demanding that he leave office. He was later removed from office, after the Ashakabad meeting. The fact is that the republic of Moldavia had sowed the seed of separatism and hatched a plan to separate itself from the Russian Commonwealth by forming an alliance with its neighbor, Romania. It would not be surprising now if the Muslim republics of Central Asia established a new identity by cooperating with Turkey, Iran, and Pakistan. However, there is no political stability in the Central Asian Muslim republics, and it would not be easy to establish the foundation of a new Muslim coalition. In addition, the republics also disagree over which neighboring Islamic country's model they will adopt. Uzbekistan and Kazakhstan believe that the Turkish model is appropriate for them because it is based on liberal Islamic principles. Azerbaijan, however, believes that the Iranian model is the best for unity over a real Islamic system. Opposed to this, Kyrgyzstan and many Central Asian Muslim republics believe that the Sunni Pakistani model is better for them. They argue that if they adopt Pakistan's Sunni model, they will be able to get a lot of economic aid from Sunni Saudi Arabia. They do need this economic aid; therefore, it is difficult to say at this point what kind of Islamic model the Asian Muslim republics will adopt. However, they all agree that an Islamic coalition is important for their progress.

No one had any objection to forming a coalition in the name of Islam in the Ashakabad summit meeting. However, no formal announcement was made about this, because the leaders of the Central Asian republics know very well that if they started at the very beginning to talk about Islam, then the young people and the women, who are influenced by communism, could create new problems for them. The former communist party members are openly telling women

in these republics that if Islam was implemented here, then their condition would be no better than that of a slave. They are telling them that the social, economic, and political rights that women have received so far will all disappear. That is why the leaders of the Central Asian Muslim republics are announcing that their Islam will be neither like that of the Arabs, nor that of the Iranians. At the same time, they do not explain what kind of Islam they will practice. Perhaps this is because telling this openly would lead to all kinds of problems.

In the Ashakabad summit meeting, the leaders of the three invited nations—Demirel, Rafsanjani, and Nawaz Sharif—discussed various economic development plans. These plans can benefit all the Central Asian republics. For example, Pakistan said the republics could be joined by the Pakistani rail system, because an Islamic government has now been established in Afghanistan. If the Central Asian republics are joined by a railway system with Pakistan, then their products can be exported from the Pakistani port of Karachi. Iran and Turkey have supported Pakistan's suggestion and have recommended that the oil and natural gas pipeline in the Central Asian republics be joined with the pipelines and Turkey and Iran in order to export oil and natural gas in large quantities. Turkey offered to help build high-quality roads. It said that if the Central Asian Muslim republics wished, it could offer them access to European common markets. If necessary, Turkey, as a NATO member, could also help in defending the republics.

Various suggestions were made at the Ashakabad summit meeting; however, no decision could be reached in this one-day meeting. The fact is that the summit meeting was not called for to arrive at any decisions. Instead, it was to study the offers made by Turkey, Iran, and Pakistan. These republics are so involved in their internal problems now that they do not have any time to make decisions. The only decision they made was that these Islamic republics would discuss the suggestions made by Turkey, Iran, and Afghanistan.

Turkey and Pakistan have offered long-range plans. To implement them, the Central Asian Muslim republics need not only time, but also technology, which they do not have. At this point, they have so many problems that they must pay attention to taking care of them. In the past, they used to get this help from Moscow. At present, Moscow is so involved in straightening out its own problems that Yeltsin cannot provide any assistance. He cannot even keep control of the republics. Turkey, Iran, and Pakistan cannot provide assistance in resolving the political and social problems that are raging in these republics. However, they did not offer any economic assistance, either. Pakistan and Iran are focused mostly on Afghanistan at this time. Pakistan can give some assurance on the basis of the money it gets from Saudi Arabia. Saudi Arabia is willing to spend money in Afghanistan through Pakistan to block the increasing Iranian influence there. Pakistan cannot extend this decision or the direction of Saudi Arabia into the Central Asian republics. Iran's resources are also limited, and President Rafsanjani is giving priority to stopping the increasing Saudi Arabian influence in Afghanistan. Turkey has taken several

steps to increase its cultural influence in the Central Asian republics. Turkish radio and television programs are now popular in Central Asia. At the same time, Turkey is trying to tell the Central Asian republics, through language and religious propaganda, that they are closer to the Turkish form of Islam than to the Iranian or Arabic forms. Turkey is pressuring the United States of America, and through it, the influence of Washington is increasing in Central Asia. If President George Bush provides more economic aid to Turkey now, then it will be helpful. However, George Bush is not willing to make such a major change in his foreign policy until after the November presidential election. The Central Asian leaders will have to wait even longer to solve their problems. However, it can be said that Pakistan, by discussing the Kashmir issue at the Ashakabad summit meeting, has laid the foundation of its Islamic image.

Internal Affairs

Tension in Ladakh Between Muslims, Buddhists Examined

92AS1098A New Delhi JANSATTA in Hindi
22 May 92 p 4

[Article by Manik Bhattacharya: "Worshippers of Nonviolence May Turn to Violence"]

[Text] A Kashmiri youth went to visit a Gompa (Buddhist temple) in Leh, the capital of Ladakh. He was stopped by some volunteers at the temple gate. They said, "khachulaspas." It did not take long for the youth to understand the situation. Fortunately, he was from a family that still practiced the tradition of wearing the holy thread. At once, he raised his shirt to show his holy thread. The volunteers retreated and allowed him to enter the temple. "Khachul" is a hateful word in Laddakh. It means "Kashmiri" or "from the Kashmir Valley." The Ladakhi Buddhists have started to socially boycott the Muslims. They complain that the Muslim leaders, officers, contractors, and traders in Kashmir not only take advantage of Laddakh, but also lure Ladakhi girls and convert them to Islam. They feel that Ladakhi culture and the Buddhist religion are seriously endangered.

This boycott is affecting those Muslims whose livelihood is tied to tourism. Tourists, especially foreign ones, are attracted to Ladakh's culture, magnificent temples, and religious festivals, and they visit Ladakh to see all of these. Therefore, Buddhist religious places have become important tourist attractions. The Buddhist leaders and lamas who were angry have banned temple entry to Muslim tour organizers, hotel owners, and guides. In addition to local Muslims, those from the Kashmir Valley are also affected by this boycott. Hindus are exempt from these restrictions somewhat, as is clear by the incident involving the holy thread.

The chasm between Ladakh's residents and Kashmiris was not as wide 20 years ago. The Kashmiris never really gave equal status to the Ladakhi Bhots (Orientals). Their status was like that of the backward aborigines, and they were exploited. This, however, was part of the regular social

system. Religion was not involved in it. Even before independence, Kashmiri civil servants and Punjabi businessmen used to marry Ladakhi girls. Only a few of them brought their Ladakhi wives back to Kashmir or Punjab. However, this was the ongoing but perfidious relationship between the rich and the poor, the urban citizens and the villagers. Hatred of the Buddhist religion, religious change in Ladakh, and religious fundamentalism had nothing to do with it. However, during the last 20 years, this has emerged as a well-planned political-religious conspiracy. The reason for this is that the government is not being run by the leaders who consider Ladakhi Buddhists unbearable.

When Kashmir was attacked by Pakistani tribals and pro-Pakistani people took power in many parts of the valley, Ladakh remained quiet. When Sheikh Abdullah raised the voice of rebellion against India in 1953, the Ladakhis did not lose faith in India. When China forcibly took over parts of Ladakh, the Ladakhi Buddhists still did not allow their faith in India to be shook. When the armed separatists in Kashmir raised slogans of Azad Kashmir, the desire in the hearts of Ladakhis to be part of India became stronger. It appears that the patience of the peace-loving Buddhists is coming to an end. Their leaders have begun to say that if India will not think about them, they would add another factor to the Kashmir problem.

This whole situation started during Sheikh Abdullah's time, when the Ladakhis complained about a lack of economic progress in their state and demanded that they be classified as a scheduled tribe. Instead of accepting this very valid demand, the Kashmir government registered a complaint with the central government. The reason for this was that if Ladakhi Buddhists were given this classification, then the Muslims in Kirgil would feel deprived of this privilege. The government had already decided to make Kirgil a separate district from Ladakh. This division was part of a conspiracy to weaken Ladakh politically. The Janskar area is Buddhist; however, it was taken from Ladakh and included in Kirgil. As a result, the Buddhists in Janksar became a minority, and the population of the Ladakh district was reduced so much that it lost its political importance. In the beginning, a Buddhist legislator was elected from Ladakh, and a Buddhist was included in the Cabinet. This was not possible later.

That is when the Buddhists began to campaign, and an unarmed crowd was fired at in Leh. Many lamas were killed. Indira Gandhi remained quiet during the lifetime of Sheikh Abdullah. However, whenever she had problems with Farooq Abdullah, the prime minister tried to take political advantage of the feelings of the Ladakhis and recommended that they be recognized as a scheduled tribe. However, after the differences between the prime minister and Farooq Abdullah were resolved, the Ladakhi issue was pushed into the background. During this period, some talks with Ladakhi leaders were staged, but no decisions were made as there was no question of recognizing them as a tribe or a caste. The Ladakhis have developed a strong distrust of Kashmir's leaders. They have begun to feel that if the Kashmiris begin to control the government, then Ladakh will not get its fair share.

Ladakh is the largest district in the country. However, because it is mountainous, it has sparsely populated. Because it is in the Himalayas, the monsoons rarely reach it, and there is very little rain. Even on the land, which is 7,000 to 11,000 feet above sea level, very few crops are grown. The largest river in the country, the Sindh, and many smaller ones, flow in this region. Because of their depth, however, they cannot be used for irrigation. The only way to use them is to build a special lift system of irrigation. Because of the high altitude, the jungles do not grow, either. There are minerals, but they have not been exploited. There are many possibilities of generating electricity; however, all the projects that were approved have been suspended. Many forest development projects were started with World Bank loans, but Ladakh did not get even a small part of these. There are possibilities of forest development in Ladakh, but these call for special plans. In the area of industry, Ladakh is as dry as is its land. The doors to government employment for Ladakhi Buddhists are also closed. In the Jammu and Kashmir government, there is perhaps no more than one Buddhist official. The same is true for lower level jobs. The state government has no interest in implementing central government plans here. The government did not even pay attention to protecting places of cultural heritage, unless it felt that these places could be used for making money. Ladakhi Buddhists are saying today that any minor development that has happened here has been because of the Chinese attack on India in 1962. This is true to an extent. Road building, hospitals, and other amenities were all related to the military deployment there.

The money in Ladakh from the central and Kashmir government development plans does not benefit the Ladakhi people. The high-level officials there are Kashmiris. Most of the contractors are Kashmiris, and they also control the tourism industry. A small group of local people has also joined this system of looting. One can say that they were included because every exploiting group needs the support of the local people. The Ladakhis are most angry about their local exploiters. However, their anger reached a fever pitch when Ladakhi Buddhists felt it was a question of their identity.

A few years ago, it was learned that the incidence of changing religions in Ladakh was on the rise. Obviously, because of the poverty and unemployment there, the people were willing to convert. One method was marrying Ladakhi girls and then changing their religion. Since there is no stigma to interracial marriage in Ladakh, it was easy. The second temptation was employment. Partnerships in tourism and other kinds of businesses were also used to lure people. There were some complaints about this system; however, during this time, some Christian missionaries also tried to adopt poor and orphan children and convert them to Christianity. This is what accelerated the campaign. The activities of the Christian missionaries have decreased; however, the Buddhists began to campaign against the Muslims. The chasm between Buddhists and Muslims widened, because the Buddhists are in the mood of rebellion. As a result, the Buddhists in Kirgil were not permitted to build a temple.

Fortunately, in spite of this confrontation with Kashmiri leaders and their distrust in the government of Kashmir, the Ladakhis did not develop any hatred of our country. The Ladakhi Buddhist Association, which has the support of almost all Buddhist organizations, demanded that Ladakh be taken under the union government rule, separate from Jammu and Kashmir. The government of Kashmir opposed this, said that it would be like dividing Jammu and Kashmir, and was against Article 370. This article is like a rope around India's neck, or a bone stuck in its throat. That is why, three years ago, Rajiv Gandhi sent then-Home Minister Buta Singh to Ladakh to talk with them. They were assured that if they did not demand union rule in Ladakh, all of their demands of self-rule and all of their developmental plans would be approved. Thus, their campaign was stopped. During this period, the Congress Party lost the election and the V.P. Singh government had no interest in Ladakh, because V.P. Singh's Home Minister, Mufti Mohammed Sayyed, represented the Kashmiri leaders who opposed giving self-rule to Ladakhis.

After the Narasimha Rao government took over, this campaign was started again. The Ladakhi leaders reminded the central and state governments of their earlier agreements. Governor Girish Saksena also talked with the campaign leaders and finally decided that Home Minister Chavan would discuss various issues with the Ladakhi leaders and try to resolve these problems. Before any significant result could emerge from the talks held in New Delhi last month, two Kashmiri leaders, Congress President Ghulam Rasul Kar and former National Conference legislator Saifuddin Soj, issued a statement opposing self-rule for Ladakh. They said it was against Article 370, and that it would adversely affect the people of the Kashmir Valley. It is important to mention that the demand for self-rule is being made through Jammu and Kashmir, and that it has nothing to do with Article 370. It is natural that Ladakhis were upset that the Kashmiri leaders opposed their demands. In their anger, some Ladakhi leaders threatened a violent movement. In other words, if the central government did not take some wise steps regarding this region, then terrorism could result in the "roof of the world."

Ghising Said Seeking Central Rule of Darjeeling District

92AS0899B *Calcutta ANANDA BAZAR PATRIKA*
in Bengali 22 Apr 92 pp 1, 6

[Unattributed article: "Ghising Wants—Let Darjeeling Be Union Territory"]

[Text] Subah Ghising is not happy with the Gorkha Hill Council in Darjeeling. His objective is to make Darjeeling Union Territory. He is determined to achieve this before the next election of the council. So he is getting ready to start a new movement with the demands of "Gorkhali" language and "no-man's land." The indication of unrest is, therefore, noticed in the hills.

An atmosphere of uneasy calm prevails in the hilly areas of Darjeeling and Kalingpong. Terrorist activities, road blocks, and strikes are occurring there. The political atmosphere has become hot with allegations and counterallegations and

blamings and counterblamings of the leaders of the different political parties. Domestic and foreign travelers are getting anxious. The numbers of snatchings and robberies has increased in public places. Local people are also concerned.

By the pact, which came after the movement of GNLF [Gorkha National Liberation Front], a dual administration exists in the hilly areas of Darjeeling. On one side, there is the Darjeeling Gorkha Hill Council under the leadership of Subash Ghising, and, on the other side, there is the district police and civil administration of the state government. The central and state governments spent a lot of money for the overall development of Darjeeling. But it did not solve the problem of Darjeeling. The deplorable condition of the common people did not improve. The common people are frustrated about the allegations and counterallegations of the two sides of the situation. The state government is saying that crores of rupees had been given to the Hill Council and they did not receive proper accounting for the money spent. Recently the chief minister, Jyoti Basu, said at a news conference in Siliguri that the state government gave the Hill Council crores of rupees, but they only accounted for 30 percent of that money. The rest of the amount is unaccounted for. Ghising, on the other hand, said that the amount of money, which had been given, was extremely meagre considering the necessity. The actual money was given by the central government and the state government now wants to supervise the matter. This will not be tolerated. For all of these reasons, the actual development work is not going on properly. The whole area is suffering from a water shortage this summer. You will not find water everywhere. People are moving around with containers to collect some spring water.

I met with a high-ranking official of the district administration in Kalingpong. He occupied an important and responsible position even before the beginning of the GNLF movement. He is close to Ghising. He told me that Ghising must make it Union Territory because Ghising does not want a room within a room. He also does not like the elder brotherly attitude of the state government. Except for two or three ministers of the Left Front government, he does not trust any other person. Ghising is extremely annoyed because Jyoti Basu asks for accounting from the council at every step. So a new movement will begin to emerge from the control of the state government. A new propaganda movement will begin against the state government on the basis of the charge that the state government is acting in a stepmotherly fashion toward Darjeeling. Since the state government consistently complains about the central government's unsympathetic attitude, Ghising will use the same weapon against the state government.

That officer also said that the bridge on the Tista River is one of the issues on which the council wants to base the propaganda movement. The Tista bridge was washed away by the horrible flood of 1968. After that a temporary wooden bridge was built. Unfortunately, after 24 years no permanent bridge has been built. But many large bridges were built in the neighboring state of Sikkim. The overall condition of roads, schools, colleges, and hospitals have not improved; rather, the conditions have deteriorated. The

main reason is the dual administration. The council was given responsibility for the village health centers and the hospitals, but the real control remains in the hands of the district directorate of health. As a result, the health centers and the hospitals suffer from a shortage of doctors, nurses, and even medicine. The government schools are under the control of the district administration, whereas, the administration of elementary, secondary, and higher secondary education remains in the hands of the council. Due to the shortage of funds, the necessary equipment for the schools cannot be purchased.

The state government appointed a high-ranking Nepali officer at Darjeeling to coordinate the activities of the government bureaucrats with those of the council. That officer said that the high-ranking Nepali official is a son of this hilly area. But on the verge of retirement, he does not want to do anything that may annoy the state government. It appears from his activities that he wants to maintain the situation as it is. As a result, the people are becoming frustrated.

On the question of the diminishing popularity of Ghising, the officer said that Ghising's influence is unquestionable over the people of the hills. Among the hill people, the number of higher class (Pradhans) is almost 10 percent. Among the 90 percent, 50 percent are from Ghising, Tamang, etc. classes, 40 percent remaining, belong to the Lepcha, Sherpa, and Bhutani classes. At the beginning of the movement, Ghising gave the Pradhans considerable importance. But he is giving them that importance now [as published]. On the other hand, Ghising is giving more importance to his own class. He never gave the Lepchas and Sherpas any importance. After the signing of the pact, one leader belonging to the class of the Pradhans tried to start an anti-Ghising movement, which was unsuccessful. Now, the CPM [Communist Party of India-Marxist] is also suffering from tremendous inner conflict. Due to the difference of opinion among the CPM leaders of the hills and the party leaders of the city, the party is faced with a difficult situation. The Congress party is also not in a very advantageous situation. Naturally, the GNLF is still the most powerful party in the hills.

Ghising thinks that the other leaders and the influential ministers of the cabinet are misleading Jyoti Basu, the chief minister. The chief minister is not aware of the real situation. In this respect, Ghising has a high opinion of Asim Das Gupta, the finance minister. He thinks that only Mr. Das Gupta wants to understand the problem. Ghising also praised Siddhartha Shankar Ray of the Congress party. When Siddhartha Ray was the chief minister, he held the cabinet meeting at Darjeeling. Some appropriate steps were also taken at that time to seek a solution to the problem. Under these circumstances, Ghising may seek the help of the Congress party to get the status of the Union Territory for Darjeeling. He wants the people of the hills of Darjeeling to flourish on their own, to live within the structure of the Indian constitution. So he put forward the demand to recognize the Gorkhali language in place of the Nepali language.

Rao's Democratic Election Seen Historic for Congress(I)

92AS0899A *Calcutta ANANDA BAZAR PATRIKA*
(Supplement) in Bengali 22 Apr 92 pp I, IV

[Article by Suman Chattopadhyay and Gouri Chattopadhyay: "P.V. First"]

[Text] Keda Nath Singh came here ready to severely criticize the economic proposal of Finance Minister Sardar Manmohan Singh. But in the final analysis, he did not do that.

Keda Nath Singh, formerly general secretary of AICC [All-India Congress Committee] and a member of the Communist party, is opposed to the economic reform program of the Rao government. He is convinced that these reforms will destroy the nation. But still, he did not utilize the opportunity to express his opinion to the members of his party. Rather, he clearly admitted "You know, we, the Congress party members do not want to annoy any leader. This practice is followed by some of us who do not have anything, but hope to have something. The others who do have something follow this practice to remain in power." The period when criticism of leadership meant working against the party ended on last 21 May in Sriperumbudur. In the centenary session of the Congress party at Bombay, there was indirect criticism of Rajiv Gandhi in the speech of Pranab Mukherjee, and, as a result, Pranab lost his seat on the Working Committee, the highest body of the party. After seven years, Pranab tried to regain his lost seat through a democratic election in Tripura. It will take some time for leaders like Keda Nath Singh to adjust to the new democratic environment after a long period of slavery. But the leader has already changed. And Congress as a party has started to change.

Nobody knows better than Pamulparti Venkata Narasimha Rao that he is due full credit for returning democracy to the party organization, although the name of Rajiv Gandhi was mentioned a few times just for the sake of courtesy. In spite of being the ideological disciple of Nehru, Rao, during the last 10 months, repeatedly proved that he was not afraid of introducing dramatic reforms befitting the changing need of the time. At the same time, by holding the election of the Working Committee during the open session of the party, Rao proved that his faith in democracy is not fake but real. In the centenary session of the party in Bombay seven years ago, when Rajiv Gandhi issued the call to return democracy within the party by ousting the power brokers, many veteran leaders of the Congress party did not take it seriously. But this time in his speech in the open session of the party at Tirupati, when Rao declared with pride that henceforth nobody can depict Congress as an undemocratic organization, all other leaders of the party accepted that as an undeniable truth. After holding elections in the party, Rao put another feather in his cap. His personal image has become brighter. Although he did not follow the principle of "one post for one person" in his own case, still he has established his image as a democratic person.

It is true that Rao had no other alternative but to return democracy within the party. After being its president, Rao

repeatedly said that democracy is the only alternative to run the party because he did not possess the charisma of either Indira Gandhi or her son Rajiv. He did not kill time unnecessarily to achieve his goal. Rao said in Tirupati that having more democracy is the only way to fulfil the deficiency of democracy and, from now on, Congress will travel that road.

But the question that was raised in the mind of the leaders of the party from Tirupati was whether the return of democracy will be good or bad for the party. In answer to the question of why he was against the election of the Working Committee, the veteran leader Sitaram Kesari replied, "As a result of it, the unity of the party will be broken." Subrata Mukherjee, going a step further, prophesied that "There will be democracy, but not the Congress party." Murli Bhadare, the leader from Maharashtra, cited the name of Yeltsin when he talked about the problems of democracy. But these kinds of prophesies or concerns of colleagues did not influence Rao. From the podium, Rao declared that from now on there will be elections in all the organizational stages of the party strictly following the rules. And steps must be taken to see that those elections are held freely and fairly.

Rao did not give any importance to the concerns that the return of democracy may cause harm to the party's existence, simply because Congress lived as the largest political organization in India by following internal democracy until 1972. In spite of great pressure from an influential group of the party, by holding the election of the Working Committee at Tripura, Rao learned how the matter electrified the interest and enthusiasm inside the party as a whole. He also learned how his colleagues congratulated him for freeing them from the prison of autocracy.

Rao wants to bring back democracy. But it was noticed in the session at Tripura that many members of the party seem to be unable of changing the habits that they developed during last 20 years. To assure his colleagues, Rao said that he was not afraid of criticism, rather he welcomed it. But none was seen to criticise the leader standing in front of him. The leaders like Keda Nath Singh or K.K. Tiwari, who are highly critical of Manmohan Singh, did not take the opportunity to join in the debate. But even though leaders like Bhagwat Jha Azad or Sanat Mehta had the courage to criticise, even the mild nature of their criticism surprised Rao. Still a democratic attitude was lacking in the way all the leaders took the stage one by one for three days to offer unrestrained praise to Rao for bringing back democracy. It exhibited the repetitive, old habit of hero worship. Even the display of life-size photos and a large cut-out of Rao were reminders of the old days of Indira or Rajiv Gandhi. Rao is repeatedly trying to prove that he is not Indira or Rajiv. But members of the Congress party want to see an Indira or Rajiv image in Rao.

When party members are trying to see Rao in the shape of another Indira or Rajiv, there is the question of why Rao is trying to return democracy to the party while rejecting the opportunity to become another Indira or Rajiv. One reason is definitely Rao's own convictions. Filling the gap after Rajiv's death, Rao's attempts to place the importance of

democracy over individuals has been proven repeatedly by his actions. The convention of changing governors in different states after the new party coming to power was broken by Rao. It is his declared principle to maintain the status quo in relations between the central and the state governments. He did not make changes in the bureaucracy just for political reasons. All of these are examples of Rao's sincere attempts to save the institution. It is the same kind of policy he wants to follow regarding his own party organization. He believes that if democracy is returned, Congress will be saved as an institution. Indira Gandhi followed a kind of go-to-the-people policy directly bypassing the institution. Rao wants to end that type of politics.

He wants to end that type because he needs the full support of the party for the reform movement he started just after assuming power. He knows that he is not Nehru or Indira Gandhi. He also knows that he will not be able to force the party to go along with his new policy. As a result, he has to make his policy as a policy of the party. Moreover, his reforms do not have any similarity to either Nehruism or Indiraism. Naturally, he needs to have an organization to implement his revolutionary policies, which must not remain in the shadow of the Nehru family. He needs a batch of new leaders who can expand his policy to the grass-roots level, and he believes that this new batch of leaders can only emerge through a democratic process.

It is not true that Rao's hope materialized in the first election in the party after 20 years. Many parts of this year's election are incomplete. Naturally, the leaders of the Indira-Rajiv period are at the top of the organizations in the different states. But if the election becomes a regular occurrence, the picture will be changed. Moreover, it is good for Rao that many leaders of the old period are accepting Rao's new policy. In the Tripura session, the economic proposal presented by Pranab Mukherjee, the finance minister of the Indira Gandhi period, and was seconded by Narayan Dutt Tiwari, the leader from Uttar Pradesh who spent his entire life following Nehruism. None of them who criticised the proposal are that influential. Sanat Mehta of Gujarat or Bhagwat Jha Azad of Bihar or K.C. Panth of Uttar Pradesh have never been considered popular leaders of Congress. On the other hand, of those who forcefully supported the proposal, many of them are the leaders of the next generation; this generation is the real hope of Rao. His hope will be strengthened by the victory of a leader like Rajesh Pilot in the Working Committee.

It is first and foremost the work of Rao to convince the party of his reforms. To go along with his program, Rao is ready to accept some of the political demands of the antireform leaders. Some leaders, including Arjun Singh, demanded that the party take a stern attitude toward BJP [Bharatiya Janata Party]. A little bit of uneasiness and concern remained inside the party about the stand of Rao toward BJP. In Tripura, Rao came out and tried to clear up concern about the matter. Breaking away from the old tradition of the party, BJP was criticised by name in the political proposal of the party. And it was done mainly to accommodate the demand of the group led by Arjun Singh. Arjun Singh was given the opportunity to introduce this proposal

in the meeting of the AICC and in the open session. Rao clearly stated that if BJP obeys the secular nature of our constitution, it has to change the political issue and the language. The Arjun Singh camp is delighted in this victory. But Rao is not at all worried about it. Because Rao benefited more by pleasing Arjun Singh. In fact, he was able to get the economic proposal accepted in the session with almost no opposition.

It never happened in Congress that AICC rejected any draft proposal. But the new economic proposal was such a touchy matter that Rao himself was not sure that there would be no storm about this matter. For that reason, Rao explained in detail in his written speech why and under what circumstances he wanted to introduce these reforms. He even described the international situation and pointed out that these reforms were designed to match the present situation. But he explained the new policy in the main framework of Nehruism. This is, no doubt, a kind of political hypocrisy. But Rao does not believe in doing something suddenly. He is conscious about the possible reaction if Nehruism is suddenly discarded. He knows that verbally he has to speak about Nehruism, although in reality, it does not exist. The reason is because the Congress party not only still holds the name of Indira, it also carries the old tradition.

The election in the Congress would have never happened if there was any possibility that it might endanger Rao's position. After leaving the task of writing an autobiography when he took up the charge of the party after the sudden death of Rajiv Gandhi in Sriperumbudur on May 21st last year, nobody would have thought that within such a short period of time he would be able to firmly secure the number-one position in the party. Nobody ever raised a question as to whether he was able to take the position based on his age and vast experience. But there was a doubt as to how far he would be able to expand his influence in the party. Many persons believed that he might be a "stop-gap prime minister." Rao not only proved that assumption a lie, he also showed at Tirupati that he has complete control over the party. At the present time, there is no leader in the party who can dare to challenge the leadership of Rao—not even Sharad Pawar who last June was one of the contenders for the post of the prime minister. During last 10 months, Narasimha Rao was able to establish his personal power and image by his own activities and walking a totally different path. Now all other Congress leaders want to remain under the protection of his image. Here is the credibility of Rao. It is almost certain that as long as Rao is in power, neither Arjun Singh nor Sharad Pawar will be able to come to power. Now they are fighting to get the number-two position in the party. In the hot midnight of 15 April in Rajib Nagar, when Arjun Singh and Sharad Pawar were anxiously passing time in the room where the ballots for the election of the Working Committee were being counted, Rao was asleep in the coldest room in the Padmavati Guest House complex on the top of the Tirumala hill just below the temple of Venkateswar. He was absolutely sure that what was going on under the hill, it was not for the number-one position in the party. If the reform program of Rao succeeds, there is no

possibility for any power struggle for the number-one position in the party in the next few sessions of the Congress party.

Rao's Approach to Job Reservation Seen Ineffective

92AS1008B Varnasi AJ in Hindi 7 May 92 p 4

[Article by Shashank Ray: "Why Is the General Opinion on Mandal Useless"]

[Text] Prime Minister Narasimha Rao is optimistic. As a result of the Supreme Court hearing, the government will call another meeting of the chief ministers to have them agree all over again. Two general conclusions can be drawn from the recent conference. First, the prime minister wants to resolve this explosive issue according to his special political style. The central government has determined to use the criterion of economic base for reserving jobs. All political parties have disagreements over this issue. The chief ministers attending the conference expressed their opinion while getting out of party and political equations. For example, Lalu Yadav and Biju Patnayak, both of the Janata Dal, made opposing statements.

The central government can find a middle-of-the-road approach within the opposing views of the chief ministers. The new policy may not be liked by everyone; it will be supported by all. A lot depends on the Supreme Court decision. The central government proposal is very practical. It proposes that 27 percent of jobs be reserved for backward castes. However, it also mentions keeping the wealthy out of this reservation quota. According to the prime minister, families with incomes greater than 22,000 rupees will not benefit from reservation quotas. At the same time, persons with a second-grade government officials' income and those working in equivalent jobs in the public and private sectors will also be exempted from this job reservation.

The central government proposal is considered worthy by all but two chief ministers. The chief ministers of Bihar and Tamil Nadu opposed the economic criterion. The rest have accepted on the principle that the reservation system should benefit only those who have been deprived economically during the last 40 years. Some chief ministers have suggested that the limit on earning be raised to 28,000 rupees a year. There were differences over the income ceiling at the conference. Suggestions ranged from 11,000 to 28,000 rupees annually. Mr. Jayoti Basu, chief minister of West Bengal, believes that the income ceiling should be 11,000 rupees. The main reasoning against the economic criterion is impracticality. This means that it is very difficult to measure income, and that implementation of the reservation system based on it would be even more difficult. Therefore, the central government must first decide whether to give equal weight to social backwardness and economic backwardness. The reservation system after independence was based on social backwardness. The report issued by the Mandal Commission caused a lot of social tension. In this situation, the P.V. Narasimha Rao formula to provide job reservations to people who are backward in economic, as well as social and educational, areas is viable. At the same

time, poor people who are not covered by the reservation system based on castes will also be covered under this proposal.

This means that the government must have agreement that the poorest should get job reservations. Therefore, a separate list must be made of poor among the backward castes and tribes. Such a list was made in Bihar according to the Karpuri formula. Perhaps the Janata Dal is not ready for this. Mr. Lalu Yadav, Bihar's chief minister, has accused this economic ceiling for job reservations. Under the leadership of V.P. Singh, Ram Vilas Paswan, Sharad Yadav the Janata Dal would never like to move from their stand for 27 percent reservations or the division of backward castes into two sections, one with very low income. It is possible that the party will split over this issue again. The chief minister of Orissa expressed his opinion on the reservation issue in exact opposition to the party leadership. He did not attend the chief ministers' conference. He sent a letter in which he proposed that the economic criterion be included in the scheduled castes and tribes list.

The written statement issued by Biju Patnayak caused a furor in the Janata Dal. The party leadership demanded an explanation from him. It is possible that the Janata Dal will divide into two camps over this issue in the near future. Almost all parties are in the same situation as the Janata Dal. For example, in the Congress Party at the Center, Social Welfare Minister Sitaram Kesri has established a separate camp. It wants to implement the Mandal Commission's report without any change. Opposed to it, most of the Congress members are talking about introducing the economic requirement. Mr. Beant Singh, Punjab's chief minister, has expressed a totally different opinion. He said that the reservation should not exceed 50 percent.

Just like the Janata Dal and the Congress Party, the BJP [Bharatiya Janata Party] also has various opinions about the Mandal Commission. One group wants to implement the report as it was presented because of the political support it got in the past, and the second group wants to keep the reaction of the urban middle class in mind and supports the economic ceiling while considering reservation quotas. The reaction of the BJP leadership over the Mandal report has been ambiguous until now. The party does not give a clear opinion. It has established a committee to discuss the recommendations made by the Mandal Commission. This committee has not yet made any statements. The BJP chief ministers used this as an excuse for not responding to the prime minister on this issue. Meanwhile, the CPI(M) [Communist Party of India-Marxist] among the communist parties talks about reserving jobs for the lower castes, but CPI Chief Minister Jayoti Basu has opposed the idea of reservations based on caste alone, in spite of the fact that he cooperates with the Janata Dal.

Because of the internal disagreement within the political parties and against the background of the politics of votes, it was not surprising that the chief ministers conference ended without an agreement. Everybody admitted that the 40-year-old reservation policy needed to be changed. These changes should be made according to the Mandal report and the present needs. No one argues the fact that a few families

that fall in the category of scheduled castes and tribes have been benefitting from this system.

The opponents argue that a scientific formula cannot be developed based on an economic criterion. How can reservations based on castes be logical or scientific? Imposition of an economic criterion is difficult, but it is not impossible. For example, Mr. S. Bangrappa, chief minister of Karnataka, has successfully included the economic requirement in the job reservation system there. In this situation, Prime Minister P.V. Narasimha Rao is optimistic; he feels it could take time, but sooner or later, the chief ministers will agree after discussions. The recent developments have proven that one has to find a practical middle-of-the-road approach in order to stop the weapon of social injustice from being changed into a weapon of social unrest.

Speech, Statements on Bofors Affair Reported

Pao Lok Sabha Statement

92AS1039A Calcutta *THE STATESMAN* in English
24 Apr 92 pp 1, 7

[Boldface words; quotation marks as published]

[Text] New Delhi, 23 April: The following is the text of the Prime Minister's statement in the Lok Sabha today, responding to a discussion on *THE STATESMAN'S* report: "Note is from P.M., Solanki told Swiss." (*THE STATESMAN* will publish tomorrow a detailed reply to the Prime Minister's statement.)

"It was only on 1 April, 1992 that I had spoken in this House on the subject of the investigations and cases relating to the Bofors contract. After a comprehensive debate on all aspects, I had clearly indicated the Government's approach to the matter in unequivocal terms. Within the same month we are again discussing the same subject. Unfortunately, as on the previous occasion, this matter has come up again on the basis of a newspaper report which, by and large, repeats what had appeared in the newspapers earlier.

"Since no changes have taken place on facts, I have very little to add to what I had said when I spoke in the House on this subject last time. To recount, as the then External Affairs Minister, Mr. Solanki, told this House earlier, he met his counterpart Mr. Felber in Davos on 1 February, 1992. He passed on to Mr. Felber a note concerning the proceedings pending in India connected with matters arising out of the Bofors contract. I had no knowledge of the note and there was no question of my having authorised him to pass it on to the foreign Minister of the Government of Switzerland. This is the truth of the matter.

"Since, in fact, I had neither authorised the giving of the note nor had any knowledge of the note, the question of Mr. Solanki mentioning my name or authority to his counterpart simply could not arise. Mr. Solanki has confirmed this and has emphatically denied having made any reference to me in any manner. The sequence of events is already in the knowledge of this House as they were brought out in the previous debate. I would once again like to reiterate unequivocally that I neither had knowledge of the note

handed over by Mr. Solanki nor did I authorize any note being handed over to the Swiss Foreign Minister.

"Mr. Speaker, while I continue to hold the view that an unauthenticated report contained in a newspaper ought not to require a discussion, denial or rebuttal, I shall cover some of the points, in deference to the wishes of honorable members.

"The newspaper report refers to a sequence of events that allegedly took place after Mr. Solanki handed over the note to the Swiss Foreign Minister, Mr. Felber. I wish to make it clear that there has been no communication from the Swiss Government making any reference to any note. The reference in the newspaper report to 'a communication from Switzerland to the CBI [Central Bureau of Investigation] dated 23 March, 1992' is, in fact, a reference to a fax message from CBI's lawyer in Switzerland, Mr. Marc Bonnant, in which there was a reference to a memorandum having been handed over to Mr. Felber by Mr. Solanki. This communication was received in the office of the CBI on the night of 24 March, 1992 and was seen by the Director, CBI on 25 March. The lawyer, Mr. Bonnant, stated that he was told that the memorandum handed over by Mr. Solanki was at the request of the Prime Minister. In this communication he sought directions from CBI on various points. CBI promptly replied to Mr. Bonnant on 26 March, 1992 and denied any knowledge of the alleged memorandum. CBI reiterated that the Swiss authorities should pursue the enquiries without taking cognizance of the said memorandum. It will, therefore, be seen that the letter of 23 March, 1992 was from counsel to client and the client had promptly and categorically repudiated the alleged memorandum.

"The newspaper report also refers to a lack of response on the part of the Government on the handing over of an unauthorized note: I should like to remind the House that during the debate, and particularly in my own reply, I had strongly repudiated any suggestion that the note was sent either by the Government or with my knowledge. We informed the House of the communications sent by CBI to the Swiss authorities of 24 March, 1992 and 26 March, 1992 reiterating our request for legal assistance. Besides, as stated in the House, another official communication was also sent to the Swiss Government within hours of the closure of the debate pointing out that the note handed over to Mr. Felber was not authorized and should, therefore, not affect in any manner the pending request for assistance. I had occasion to inform the Rajya Sabha on the following day of this position. There is no question of the Government or the CBI not having reacted adequately or appropriately to the situation.

"In conclusion, Mr. Speaker, Sir, I should once again like to reiterate that my Government is committed to pursuing the case in accordance with law and with all diligence to find out the truth.

"Thank you."

Swiss Note

92AS1039B Madras *INDIAN EXPRESS* in English
29 Apr 92 p 1

[Article by Chitra Subramaniam]

[Text] A new controversy surrounds a covering note by a junior Swiss Foreign Ministry official which accompanied the former External Affairs Minister, Mr. Madhavsinh Solanki's memorandum to his Swiss counterpart, Mr. Rene Felber, on Bofors. The note states that Mr. Solanki handed over the memorandum "at the request of Prime Minister Rao." The origin of this accompanying note is as mysterious as Mr. Solanki's memorandum.

The note—made available to *INDIAN EXPRESS* by privileged sources in Geneva—went from the office of Mr. Thomas Borer, an official in the foreign ministry, to Mr. Pierre Schmid, chief of International Assistance in Criminal Matters, Federal Justice Ministry, Berne, on 19 February, two weeks after Mr. Solanki had delivered it. It says: "As arranged with our colleague...we enclose herewith a copy of (the notings) of our department (headed by Mr. Felber) on 1 February 1992, at the request of Prime Minister Rao."

The note further advises the justice ministry that it might be useful to wait for a reply from the investigating authorities in Geneva to their letter before deciding what to do with Mr. Solanki's note. The foreign ministry also requested the justice ministry to keep the former informed about progress in the case.

Sources told *INDIAN EXPRESS* that the foreign ministry's note, along with Mr. Solanki's memorandum, were sent to Mr. Schmid for further action. An official at the International Law Desk drafted it after what appears to have been an internal discussion.

When confronted with the covering note, Mr. Jorg Kistler, a spokesman for the justice ministry, said: "Yes, this note exists, but there is absolutely no proof to say that the note was handed over at the request of Mr. Narasimha Rao." When asked how the Indian Prime Minister's name was circulating in the investigating circles, Mr. Kistler said: "I can only say that there is no proper explanation as to how his name came into the document. It could simply have been an error of interpretation."

Last week, Mr. Christian Meuwly, a spokesman of the foreign ministry, said there was no indication whatsoever from the Indian side as to the origin of the memorandum, except that it had come from Mr. Solanki himself. Asked today to explain how that position squared with the specific statement in the covering note linking the memorandum to Mr. Rao, Mr. Meuwly said it could only be "the personal interpretation of a junior officer (subaltern) in the federal administration." He reiterated that Mr. Solanki had given no indication of the memorandum's origin and that Mr. Felber did not even open the envelope when he received it.

Investigation by *INDIAN EXPRESS* suggests that what had transpired between Felber and Solanki on 1 February passed through at least three people in the foreign office before being transmitted to the justice ministry. Sources said that some accommodation should be made for "an error of

interpretation" for the simple reason that Mr. Felber had met only Mr. Solanki at Davos.

Mr. Rao has stated several times over the past month that Mr. Solanki was acting independently. As evidence of his "commitment" to the investigation, he sent a message to the authorities here, stressing that the matter should proceed. This was repeated after Mr. Solanki had resigned. However, if Rao's involvement was a matter of pure speculation within the Swiss foreign office, it is a serious matter, reflecting on more than just the Bofors case. For example, is it common practice to note speculation about the origin of a document? If so, who takes responsibility when such speculation—assuming that is the case—threatens to bring a government down?

Swedish Rejection

92AS1039C Madras *INDIAN EXPRESS* in English
30 Apr 92 p 1

[Article by Chitra Subramaniam]

[Text] Geneva: Sweden turned down on Wednesday India's request for documents relating to the Bofors-India Howitzer payoff scandal.

In a short statement, the Swedish justice ministry said it had arrived at the decision not to hand over the documents in consultation with the foreign office.

"There was nothing new in the Indian request. It was the same old one which had been turned down before," said Sweden's chief prosecutor. About a month ago, India asked the Swedish government to reconsider its decision not to hand over the documents relating to the payoffs in the Howitzer scandal. These included Martin Ardbo's (former Bofors executive) diary as well as other payment documents. As soon as the new Indian request was received, the Swedish justice minister was quoted as remarking that it contained no new elements at all and that it was not forceful enough. The only new facts that were added related to Bofors change of ownership from a private to a state-owned company and revelations in the *DAGENS NYHETTER*, the Swedish morning daily which quoted an anonymous nobel source and linked the payments directly to senior Indian politicians.

Sources in Stockholm told the *INDIAN EXPRESS* that the Indian request was unambitious and lacked conviction leading many in the Swedish government to conclude that New Delhi was once again only going through the motions of seeking Swedish help.

While technically there is a strong case for handing over the documents to the Indian investigators—government usually help each other in situations such as these—there was a great deal of uncertainty about the political signals from India and its intentions in the Bofors case, sources said.

While the five-year deadline for re-opening an investigation in Sweden has passed, there is no legal hurdle for documents already available with the Swedish prosecutor to be transferred to India.

CPI-ML's Calcutta Congress Decisions Reviewed
92AS1041A *New Delhi PATRIOT in English*
30 Apr 92 p 6

[Quotation marks as published]

[Text] The all-India congress of the Communist Party of India (Marxist Leninist) (CPI-ML), recently met in Calcutta to reiterate its commitment to Marxist-Leninist-Maozedong ideology.

While there was no change in the party programme, following the disintegration of the Soviet Union, the CPI-ML noted that there remains now only one superpower—the U.S. Earlier, it had branded both the erstwhile Soviet Union and the U.S. as superpowers, describing the Soviet path as social imperialist. In the present changed circumstances, the CPI-ML believed what exists now is only Russian imperialism.

The party stuck to its stand of not forging a united political front, except in a 1975 Emergency-like situation, with opposition parties, including the Left. It ruled out any possibilities of electoral adjustment or joint front with the 'revisionist' CPI and CPI-M. This will however not deter the CPI-ML from launching joint struggles on specific issues of the people, it added.

The CPI-ML was equally critical of the Indian People's Front (IPF), which, it observed, has become parliamentarian, maintaining close links with the CPI, CPI-M.

Attended by delegates from West Bengal, Bihar, Punjab, UP, Delhi and Rajasthan the congress elected Yatendra Kumar as the party general secretary.

The delegates reaffirmed the goal of achieving New Democratic Revolution. They understood the importance of a protracted peoples' war and intensification of the 'revolutionary peasants Movement'. An agrarian revolution is to be the pivot of all struggles, they stressed.

The congress dubbed the Communist Party of China, headed by Deng Xiaoping as revisionist. The Deng group was accused of having restored capitalism on the socialist state. The collapse of the Soviet Union and sweeping changes in Russia were attributed to the revisionist policies followed by Krushev and Brezhnev. These policies, the CPI-ML asserted, had turned the former Soviet Union revisionist.

Condemning the government subservience to U.S. imperialism, the congress called upon the people to express solidarity with the masses in Libya, Iraq, Cuba and North Korea, which are under U.S. aggression.

The party urged the launching of a militant peoples' movement against the new economic and industrial policies. It opined that restructuring would boost the interests of big business houses, while shifting the major burden on the poor.

Even while endorsing 27 per cent reservation in jobs for the Other Backward Castes (OBCs), the congress asserted that revolution was the only means of resolving caste conflicts.

Conflict Within Janata Dal Centers on Leadership

Lalu Yadav Next Leader

92AS1006A *Varnasi AJ in Hindi* 10 May 92 p 4

[Article by Rahul Bhardwaj: "Will the Leadership of Janata Dal Fall Upon Lalu?"]

[Text] It is clear now that the central leadership of the Janata Dal is considering Lalu Yadav as the main option. Therefore, this leadership has removed Ram Sunder Das, Bihar Janata Dal president, and replaced him with the person that Lalu Yadav wanted. Laluprasad Yadav, Bihar's chief minister, was making problems himself for Ram Sunder Das. The Janata Dal, which always talks about social justice, has sacrificed Ram Sunder Das because, even though he is a Harijan, he was not willing to blindly obey the Yadavs. When compared to Lalu Yadav, he is a more experienced and respected leader. Lalu always felt endangered when Ram Sunder Das was in the party president's chair.

Ram Sunder Das was not willing to accept defeat easily. After all, he is a veteran socialist and has been actively associated with many of the campaigns in Bihar. He decided to fight back against Bihar's chief minister. He openly told the Bihar Janata Dal Working Committee members at his home on 25 April that he would not accept the changes made by the party's national leadership. In this meeting, called at Ram Sunder Das's Patna residence, the pro-Ram Sunder Das members of the Janata Dal announced that the present Janata Dal government in Bihar is corrupt. They claimed that the chief minister provided shelter to criminals and used them to threaten opponents. It was openly said in the meeting that as long as Lalu Yadav was there, neither Bihar nor the Janata Dal would benefit.

Instead of removing Lalu Yadav, the Janata Dal leadership removed the person who was Lalu's main Patna opponent. Not only this, the person that the central leadership picked to replace (?) Ram Sunder Das is surrounded by many accusations of criminal involvement. There are some serious accusations; however, the leadership has ignored them and has given the permanent president's position to Ramai Ram. A weak person cannot challenge a chief minister.

The leadership of the Janata Dal has formed the image of not knowing who its friends or enemies are. Somappa Rayappa Bommai is the national president of the Janata Dal, but V.P. Singh, Ram Vilas Paswan, and Sharad Yadav run the party. All three are very much influenced by Bihar's Lalu Yadav. After all, Bihar is the only place with a Janata Dal government where V.P. Singh's social justice is flourishing. Of course, there is a Janata Dal government in Orissa, also. That government belongs to Biju Patnayak's Janata Dal, and it does not recognize V.P. Singh, Paswan, and Sharad. Lalu Yadav's charismatic personality and his style of using rural Biharis is helping him remain in power, and all his sins are forgiven.

The rivalry between Ram Sunder Das and Lalu Yadav is very old. Mr. Das is an old soldier of Bihar's social revolution. His name is taken after Karpuri Thakur and

Ramanand Tiwari. He was appointed Bihar's chief minister in Karpuri Thakur's place in 1978. He had a nice personality, always worked well with everyone, and was popular even with his opponents. Opposed to him, Lalu Yadav practices "antipolitics" and believes in an "anti-image." In his pursuit of presenting himself as a rough, rural, and low-caste poor leader, he has used a kind of language that amazes any educated person in Bihar. He became politically active during the JP [Janata Party] campaign. However, he was successful in politics because of his comic nature.

When Lalu became a legislator in 1977, there was a lot of discussion in the Vidhan Sabha about his comic nature and his Bhojpuri speech. In 1980, during the period of Dr. Jagan Nath Misra, he emerged as a maverick opposition leader. When the Janata Dal was formed, however, he befriended Devi Lal and later was able to become Bihar's chief minister. Mr. V.P. Singh was an outsider in the Janata Dal, because he had come to the Janata Dal of Chandra Shekhar, Devi Lal, and other maverick opposition leaders from the Congress Party. Therefore, in order to strengthen himself, he took support from younger leaders, and Ram Vilas Paswan, Sherad Yadav, and Lalu Yadav were prominent among them.

The attack that Ram Sunder Das launched on Lalu Yadav had one immediate cause. The central leadership had ignored him and made a boy the chief minister. Meanwhile, when the Bihar Janata Dal elected him president of the state party, he was satisfied. Later, because of Lalu Yadav's aggressive style, he started to remove the supporters of all the leaders who were known to be mavericks. Mr. Das could not remain silent. Lalu was not hurting the Congress Party or the BJP [Bharatiya Janata Party] because of his style; he was trying to hurt the Bihari leaders of his own party in their own homes. Therefore, as a party chairman, he started to put restrictions on Lalu Yadav. But it was too late. Old man Ram Sunder failed to impose these restrictions, and Lalu Yadav, who was at the peak of his power, started to distribute favors among the legislators. He appointed 70 people to his Cabinet, and the remaining were showered with positions in municipal committees here and there. He wanted to make sure that none of the legislators were against him. After these efforts, he started to attack Ram Sunder Das according to a preplanned policy. He began to bother him by accusing him of various wrongdoings. As a result of these efforts, Mr. Das had to leave. Since there is no other party to play opposition politics in Bihar but the Congress and the BJP, Mr. Das is forced to fight his battle by himself, while remaining in the Janata Dal. That is why he has made the party chairmanship an issue of prestige. His quick response to Lalu Yadav went so far that Mr. Bommai, the party president, had to ask for his resignation, and he refused to submit it. Because Ram Sunder Das has a lot of influence on the Janata Dal leaders in Bihar, and his popular support was still fairly strong, the Janata Dal leadership tried to move him to the Center. However, Ram Sunder Das refused to leave Bihar. Meanwhile, Lalu Yadav continued his pressure on the central leadership to remove Mr. Das. Finally, Mr. Bommai forced Ram Sunder Das from the presidency of Bihar's Janata Dal.

Mr. Ramai Ram, who has been appointed the new president of Bihar's Janata Dal, used to be the social welfare minister in Lalu Yadav's Cabinet. Therefore, it is clear that he is Lalu's favorite. Mr. Das told the Janata Dal leadership that he was willing to leave Bihar on two conditions. The first was that Lalu Yadav was to remove Magni Lal Mandla from his Cabinet, and the second was that Mr. Vaid Nath Panday, member of the Bihar legislature, be suspended.

Conflict in Rajasthan

92AS1006B New Delhi JANSATTA in Hindi
2 May 92 p 10

[News Report: "Janata Dal in Rajasthan at Daggers Drawn"]

[Text] Jaipur, 1 May—The Rajasthan Janata Dal has started another factional fight for the third time in a row. The V.P. Singh and Ajit Singh groups are openly taking jabs at each other. The activities against each other and the attempts to push each other out of the party are on the rise.

The Ajit group wants to declare itself the real Janata Dal rather than to establish a separate party. It is using this strategy to increase its strength. Meanwhile, the V.P. Singh-Bommai camp has no alternative but to remove the Ajit group leaders from the party. Still, this camp is avoiding taking any strict action against pro-Ajit legislators. It has been forced to use the weapon of expulsion.

Mr. S.R. Bommai, the Janata Dal president, first expelled state Secretary General Chander Bhan and later, Nathi Singh, the leader of the legislative group. He informed Vidhan Sabha President Harishanker Bhabhra of the expulsion of these two pro-Ajit Singh legislators and requested that the two be declared non-aligned with the party. The state president of the party, Sampat Ram, also wrote a letter to the Vidhan Sabha president also requesting him to declare Nathi Singh and Chander Bhan as nonaligned with the party. In spite of these two letters, Nathi Singh continued to be the leader of the Janata Dal legislative group and Chander Bhan a member of the Vidhan Sabha during the budget session.

During the last part of the budget session, the Vidhan Sabha president gave a notice to Nathi Singh and Chander Bhan about it. At it, these two leaders called a meeting of the legislative group on 16 April and forced the issue that state party President Sampat Ram was using an inappropriate approach by writing directly to the Vidhan Sabha president before presenting the issue to the legislative group. They said that his action required discipline, that he should be given notice about it, and that action should be taken against him if he did not respond within two to three days. After this, Nathi Singh, the legislative group leader, wrote a letter to the Vidhan Sabha president and asked him to take action against legislator and state president of the party, Sampat Ram.

He wrote in the letter that Sampat Ram was expelled from the party on 25 April, and that he was issued a notice on 17 April for being involved in antiparty activities. In this notice, it was said that a legislative member could be tried by only the legislative group. However, Sampat Ram

ignored this rule and wrote directly to the Vidhan Sabha president to remove Nathi Singh and Chander Bhan from party membership. Nathi Singh wrote to the Vidhan Sabha president that the legislative group had asked for a disciplinary action against Sampat Ram in its 16 April meeting. Later, Sampat Ram was given a notice about it, to which he never replied. Therefore, his membership in the legislative group was terminated on 25 April. Mr. Singh insisted to the Vidhan Sabha president that Sampat Ram be declared non-aligned to the legislative group because of all these incidents.

Sampat Ram declared all the activities by Nathi Singh and Chander Bhan useless and silly. He said that since these two leaders were not primary members of the party, any activity they were involved in carried no weight in the party. They said that he did nothing wrong in writing the letter to the Vidhan Sabha president requesting that these two members be declared nonaligned with the party. This is the issue that the party was to take up, and the legislative group had nothing to do with it. Therefore, Nathi Singh had lost the right to give that notice.

Nathi Singh is still the legislative group leader, even after being expelled from the party. The majority of the legislative group supports him. He claims that 20 of the 29 Janata Dal legislators support him. In this situation, we will learn later what the president of the Vidhan Sabha will do about the letter sent by Nathi Singh and Sampat Ram requesting that the other be declared nonaligned with the party. However, the precarious position of the V.P.-Bommali camp within the legislature is clearly evident. The Janata Dal, which won 55 seats during the last Vidhan Sabha elections, has only 29 legislators after two divisions within the party. When the third division occurs, this number will be reduced to about nine.

Sampat Ram is ready to take action against the legislators who had made the decision against him during the 16 April meeting. He will find out the identities of the legislators who attended the meeting, and will then give them notice for disciplinary action. He will recommend their expulsion from the party if they do not provide a satisfactory answer. This game of trying to expel members of the other faction will continue until the party is divided a third time.

Attachment of Union Carbide Properties Ordered
92AS1048A Calcutta THE STATESMAN in English
1 May 92 p 1

[Text] Bhopal, April 30—In a significant judgment, the Bhopal judicial magistrate, Mr Gulab Sharma, today ordered immediate attachment of all movable and immovable properties of the multinational Union Carbide Corporation, U.S.A., in India, reports UNI. He also ordered that the U.S. company's 50.9 per cent shares in its Indian subsidiary, Union Carbide (India) Limited (UCIL), also be attached forthwith.

In addition, the CJM ordered the Government to furnish details of UCC's [Union Carbide Corporation] additional properties in India, barring those in the UCIL, which could be attached.

The court directed that the order be sent immediately so that the multinational's headquarters did not transfer anywhere any shares or property it held in the UCIL.

Information on UCC's additional properties must be sent to the Reserve Bank of India (RBI) with a directive that permission for sale or transfer of any shares or property under Section 19(5). Foreign Exchange Regulation Act (FERA) should not be given without the court's permission, he directed.

The judgment was delivered on an application of the Government on March 27 and another, on April 23 seeking attachment of the multinational's property in view of reports of its attempts to transfer shares in the UCIL to a trust for construction of a hospital for victims of the Bhopal gas tragedy.

Mr Sharma said no one appeared in the court on behalf of the American company despite summons, bailable warrants and directives sent following the Government's application. The UCC owned 50.9 per cent shares in the UCIL and also had properties at other places in India.

He said it was brought to the court's notice that the UCC wanted to transfer its property in India in an attempt to avoid its appearance in the court. However, the coaccused, the UCIL, stated in its April 24 reply that Section 82 and 83, Cr.P.C., envisaged that the company's property in India only could be attached and that the UCC and UCIL had, by permission, transferred their shares from India to the United States, as per Indian law, and could not be attached.

Earlier, UCIL's counsel, Mr Rajendra Singh, had said that the multi-national had "lost faith" in the Indian Government and there hardly was any possibility of the UCC or its lawyers appearing before Indian courts.

By the February 1989 settlement for \$470 million, the Supreme Court of India had entered into an agreement with the UCC, quashing all criminal proceedings against the latter.

These remarks were made when the CJM inquired as to why the UCC could not get funds from its own sources for the construction of a hospital.

Mr Singh said the attachment of the UCC shares in UCIL would not serve any purpose in Bhopal as the shares were in Calcutta and an attachment order would have to be sent to the Chief Metropolitan Magistrate of that city.

The Central Bureau of Investigation's counsel, Mr U.S. Prasad, contended that the UCC was behaving in a "dishonest" manner but Mr Singh strongly countered it.

Mr Singh said the attachment proceedings would further delay completion of the hospital which needed Rupees 50 crores for construction and maintenance for eight years, as per the Supreme Court Order.

The UCIL said special permission was given by the RBI on March 20 this year for mortgaging the shares outside India, as per Indian law, hence they could not be attached. The UCC had mortgaged its shares to the Bhopal hospital trust, constituted the same day, whose sole trustee was Sir Ian

Percival, a former Solicitor-General. Sir Ian informed that the UCC had pledged all its interests in UCIL to the trust and had also given a declaration in this regard.

Scheme To Issue Identity Cards Detailed

**92AS1033A Bombay THE TIMES OF INDIA
in English 27 Apr 92 p 13**

[Italicised words; quotation marks as published]

[Text] New Delhi, 26 April (PTI): The Centre has initiated a scheme to issue computerised identity cards in border areas and the states prone to infiltration and anti-national activities.

Home ministry sources said the objective of this pilot scheme was to register *bonafide* residents, to collect reliable information regarding status of residents and to check the movement of visitors who stay for more than 30 days.

The scheme comes in the wake of reports of a spurt in anti-national activities, including infiltration, an influx of people in border areas and an increase in anti-social, smuggling and other illegal activities in areas adjoining the Pakistan border in recent years.

The sources claimed that the scheme would help strengthen the internal security fabric of the country and effectively check anti-national and anti-social activities in border areas, particularly in the western sector.

A unique six-character phonetic identity code system especially developed by the Bhabha Atomic Research Centre (BARC), Bombay, has been adopted.

The system will enable essential details about the card holder in code, which will serve as a check against forgery and impersonation.

A provision has been built in for computerisation of the information at a subsequent date which is expected to operate as a further check for dubious activities, the sources said.

The BARC has developed a new machine called "clips" (computerised laser image printing system), which replaces the conventional method of taking a photograph and pasting it on the card.

The new scheme is expected to considerably reduce the time for preparing the card, thus avoiding several visits to the same village to hand over the card to the person concerned.

The cost of a 'clips' Machine mounted on a motor vehicle with a generator is Rupees ten lakhs. It has the capacity of printing 200-250 cards daily together with photographs and personal details.

The pilot scheme is part of a central proposal to issue identity cards throughout the country in three phases beginning with the eighth five year plan.

Under the scheme, the border districts of Arunachal Pradesh, Assam, Bihar, Gujarat, J and K, Manipur, Mizoram, Meghalaya, Nagaland, Punjab, Rajasthan, Sikkim, Tripura and West Bengal are proposed to be covered.

The source said that photo identity cards are being issued in different colours in areas covered by the pilot scheme to permanent and temporary residents.

Certain categories of persons such as public servants of the Union or state government and foreign nationals holding valid passport or valid travel documents have been exempted from the purview of the scheme.

All persons not belonging to the exempted categories and above the age of 16 years in these areas are required to apply for an identity card on a prescribed form.

The cards are to be renewed at the age of 30 and again at the age of 45. The state governments have been entrusted with the responsibility of implementation of the scheme, the sources said.

External Affairs Ministry Issues Annual Report
92AS1044A New Delhi PATRIOT in English
29 Apr 92 p 8

[Text] The already strained Indo-Pakistan relations have been "further exacerbated by Islamabad's undiminished support" to terrorism in Punjab, Jammu and Kashmir and its "mischievous" attempts to internationalise the Kashmir issue with "hostile and misleading" propaganda in violation of the Simla Agreement, according to the annual report of the External Affairs Ministry, reports UNI.

The 1991-92 report, released on Tuesday, says that the Pakistan Foreign Secretary's assurances to India in August last year to engage in constructive dialogue and approach issues with a new mindset have failed to get reflected on the ground.

On the contrary, it says Pakistan continued to support terrorism directed against India and carried on its hostile propaganda, misrepresenting the situation in Jammu and Kashmir to spread discord and exaggerated account of alleged atrocities by security forces.

The report says that despite continuous tension in relations, India continued its efforts to carry forward the confidence building process and the bilateral dialogue. A positive development in this direction was the signing of two agreements in April last year relating to advance notification of military exercises and manoeuvres and prevention of air space violations by military aircraft.

Also, a list of nuclear installations and facilities in India and Pakistan were exchanged in January last in pursuance of the 1988 bilateral agreement not to attack such installations.

The report says though the Prime Ministers of India and Pakistan reiterated after their meetings in Harare and Colombo last year and in Davos, Switzerland, in February this year, the need to reduce tensions and resolve issues bilaterally and peacefully, Pakistan's actions "have not yet matched its stated desire to bring about an improvement in bilateral relations."

It says, "India hopes that Pakistan would abandon its negative policies and join it in serious endeavours to establish tension-free and good neighbourly relations between the two countries."

The report says that during 1991-92, Indo-Nepal relations were consolidated and a durable framework established for expanding all-round bilateral cooperation.

It says with Mr. G.P. Koirala becoming Nepal's Premier in May last year under the democratic system, a new stage was set for both countries to focus on maximising mutually beneficial cooperation in a variety of fields. The goal was to usher in a new era in Indo-Nepal cooperation.

The report says Mr. Koirala's visit to India in December last year resulted in a wide ranging set of decisions of crucial significance for intensifying Indo-Nepal cooperation for mutual benefit. Five important treaties and agreements were signed.

"Thus, a solid framework has been set up for Nepal and India to work together for the benefit of both peoples and the overall prospects of such Indo-Nepal cooperation are bright," it adds.

About Bangladesh, the report says the advent of democracy in that country had given a new impetus to Indo-Bangladesh relations. The two countries had agreed to further strengthen their relations by removing immediately some of the outstanding irritants through dialogue and by adopting a fresh approach for enhancing economic cooperation.

The report says India viewed with regret the fact that political power in Myanmar yet remained untransferred to the people's representatives after the general elections in May, 1990.

"India is equally distressed at the continued house detention of Ms. Aung San Suu Kyi," it adds that India could not ignore the democratic aspirations of the people of Myanmar and had, therefore, expressed its strong apprehensions about the lack of progress towards democracy and infringement of human rights in that country.

Manmohan Singh Presents 1992-93 Finance Bill
92AS1046A Madras THE HINDU in English
1 May 92 p 6

[Text] New Delhi, April 30—The Union Finance Minister, Dr. Manmohan Singh, moved the Finance Bill in the Lok Sabha today. The full text of the speech follows:

Sir, I beg to move: That the Bill to give effect to the financial proposals of the Central Government for the financial year 1992-93 be taken into consideration.

Sir, while presenting the Budget in this house on 29th February 1992, I had explained the salient features of the proposals contained in the Bill.

I feel gratified by the amount of interest, discussion and debate that the Budget has generated. During the general discussions on the Budget, Honourable Members from both Houses made many useful suggestions with regard to some provisions contained in the Bill. Many Honourable Members of Parliament have also written to me about their suggestions. A large number of suggestions have also been received from members of the public, trade unions, chambers of commerce, professional bodies and voluntary organisations. I am indeed grateful to all of them for their valuable suggestions. I would like to assure Honourable Members that we have very carefully considered all the points which have been made with reference to the Finance Bill. In response to the various suggestions made, I now propose to move certain amendments to the Bill. I seek the indulgence of the Honourable Members to explain some of these amendments. I had the occasion to announce some changes at the time of replying to the general discussions on the Budget.

In my Budget speech, I had mentioned that, with the increase in the exemption limit and the reduction in tax rates, many of the Income Tax concessions were no longer justified. I had, therefore, announced the withdrawal of deductions under Section 80L, 80 CCA and 80 CCB of the

Income Tax Act. A large number of representations have been received indicating that the withdrawal of Sec. 80L will cause hardship, especially to pensioners and taxpayers in the lower income group who have invested their savings in specified financial assets. Several Members of this august House both from the Treasury benches and from the opposition have urged reconsideration of the decision to withdraw concessions under Section 80L. In deference to their sentiments and in recognition of the need to protect to the maximum extent possible the interest of taxpayers in lower income groups, I, propose, as an interim measure, to restore the deduction under Section 80L with a monetary ceiling of Rupees 7,000. Taking into account the increase of Rupees 6,000 in the exemption limit as originally proposed in the Finance Bill, the amendment I now propose with regard to Section 80L should take care of most of the complaints I have received from taxpayers in the lower income groups.

With the withdrawal of deductions under Section 80 CCA in respect of the National Savings Scheme and under Section 80 CCD in respect of Equity Linked Savings Schemes, etc., I had proposed to enlarge the scope of the tax rebate under Section 88 so as to include within its ambit, schemes which are, at present, included under Sections 80 CCA and 80 CCB. The rebate under Section 88 is allowed, at present, up to an investment level of Rupees 50,000. In view of the enlargement of scope of the tax rebate, I now propose to raise the ceiling on investment level to Rupees 60,000. The implication is that the ceiling of the tax rebate will increase from Rupees 10,000 to Rupees 12,000. Within the overall ceiling of Rupees 60,000 a sub ceiling of Rupees 10,000 is also proposed in respect of investments in Equity Linked Savings Scheme so as to ensure the continued viability of other savings instruments contained in Section 88.

Honourable Members would recall that in my Budget Speech I had proposed to introduce a new simplified procedure for taxation of small retail traders. This proposal was made with a view to building an atmosphere of trust and confidence among taxpayers and encouraging them to get over their psychological hesitation in having to deal with income tax authorities. Emboldened by the enthusiasm with which this scheme has been received throughout the country, I propose to enlarge its scope to include other small shopkeepers who are engaged in vocations like tailoring, typewriting, photocopying, repair work, laundry service or are running eating places, etc.

The requirement that persons opting for the simplified procedure should not have any income chargeable to tax from any other source is proposed to be given up. Persons having taxable income from other sources, not exceeding Rupees 5,000 in a year in the aggregate will now be eligible to opt for the new scheme on payment of additional tax for this amount.

In this year's Budget, I have undertaken a major restructuring of the taxation of capital gains. I had proposed inflation indexation of the cost of acquisition of assets. I had, further, proposed tax on long-term capital gains at a flat rate of 20 per cent in the cases of individuals and Hindu undivided families, 40 per cent, in the case of companies, firms, associations of persons and bodies of individuals and

30 per cent, in all other cases. I have received representations that the tax rate of 40 per cent applicable to certain categories of taxpayers is too high. I see merit in this representation. I therefore propose to reduce the tax rate in the case of firms, association of persons and bodies of individuals from 40 per cent to 30 per cent. I also propose a concessional rate of 20 per cent in the case of venture capital companies.

Honourable members will recall that I had proposed important changes in the taxation of partnership firms with a view to avoiding double taxation of the same income in the hands of both the firm and the partners. I had proposed to exempt partners from the taxation of their share income from the firm. I had also proposed to allow deduction towards interest and salary payment made to partners from the income of the firm. The deduction in respect of salary was proposed at the rate of 90 per cent on the first Rupees 1 lakh in the case of professional firms and on the first Rupees 75,000 in the case of business firms. In order to help the smaller firms, I now propose to allow 100 per cent deduction of a partner's salary up to Rupees 50,000 from the firm's income.

There seems to be some apprehension that the provisions of Section 40 A(2) of the Income Tax Act may be indiscriminately resorted to by the Assessing Office to make disallowance out of salary paid to the partners as being excessive. The Central Board of Direct taxes will be asked to issue instructions to the Assessing Officers so as to ensure that this power is not used in the case of small firms and even otherwise, it should be used sparingly. The Finance Bill also provides for deduction of tax at source on the salary or interest paid to partners. Realising that this may cause problems of implementation and avoidable paperwork for the firm, I propose to withdraw this provision.

The Bill contains a provision aimed at ensuring the presence of the persons whose premises are searched, for as long as the search operation continues I have requested the Tax Reforms Committee to examine the entire gamut of the procedural provisions relating to direct tax laws, including the provisions concerning search and seizure. It would be desirable to await the Report of the Committee in this regard. I, therefore, propose to withdraw this provision in the Bill accordingly.

Wealth Tax: In my Budget speech, I had announced a significant departure from the existing regime of taxation of wealth with a view to encouraging investments in productive assets.

I have since examined some more aspects of the wealth tax structure which need immediate attention. There is need to provide that motor cars which form part of stock-in-trade will not be liable for wealth tax. There is also need to ensure that urban land on which construction is not permissible under any law will not attract wealth tax. Similar exemption should apply, for a period up to two years in respect of land held for industrial purposes. I propose to amend suitably the Wealth Tax Act to provide for these exemptions and also restore some of the exemptions allowed earlier.

I would now like to refer to the proposed modifications relating to indirect taxes.

One area of concern in the representation and suggestions I have received is with regard to the possible adverse effects of the reduction of the overall import tariff on the domestic industry. I have given the utmost consideration and thought to these representations. Earlier on 26th March 1992, I had announced major reliefs on import duty totalling about Rupees 245 crores. I am now proposing further appropriate remedial measures including reliefs in import duty to important sectors.

As part of the overall rationalisation of tariffs, the concessional import duty of 95 per cent available to certain specified drug intermediates used in the manufacture of bulk drugs had been removed in the budget. As a result, inputs such as bulk intermediates as well as the finished products such as bulk drugs attract the same rate of duty of 110 per cent. It has been represented that this has led to inadequate incentive for the production of bulk drugs. I, therefore, propose to restore the concessional import duty of 95 per cent in respect of most of the specified drug intermediates. I also propose to completely exempt specified formulations of certain life saving drugs and medicines from import duty. In the interest of better eye care I propose to reduce the excise duty on sterile solution used for the care of contact lenses from 105 per cent to 15 per cent.

I propose to reduce the import duty on aseptic form-fill-seal machines for the pharmaceutical industry from 50 to 40 per cent.

Prior to the Budget, specified raw materials and piece parts required for the manufacture of certain components for the electronic industry were attracting basic plus auxiliary rates of import duty at 50 per cent and 70 per cent respectively. As part of the overall rationalisation to remove multiplicity of duty rates, the rates on some of the raw materials and piece parts were reduced to a uniform rate of 40 per cent. The duty concession available in respect of other raw materials and piece parts was withdrawn. It has been represented that the [word illegible] duty structure has led to certain distortions. To rectify the distortions, I propose to restore the duty differential that existed earlier between the raw materials and piece parts in most of the cases. I now propose that most of the raw materials which were attracting import duty at the rate of 50 per cent prior to the Budget will attract 40 per cent and most of the piece parts which were earlier attracting duty at the rate of 70 per cent will now attract 60 per cent.

I had proposed to reduce the import duty on specified items of machinery used for the manufacture of fly ash and phosphogypsum bricks and building components to 40 per cent. It has been represented that the concession is inadequate as the initial cost of investment for such projects is too high even at the reduced rate of duty. In view of the environmental importance of this activity, I propose to fully exempt the specified machinery used in the manufacture of fly ash and phosphogypsum based building materials from the whole of the import duty.

I had proposed in the Budget to impose an export duty of 10 per cent on certain types of finished leather and on unpolished granite in order to encourage exporters to shift to higher value added leather products and polished granite. It has been represented that this is too heavy a burden and the duty should be lower. Accordingly, I propose to reduce the export duty on such finished leather from 10 per cent to 5 per cent and on unpolished granite from 10 per cent to 7 per cent.

Gold imports: In the Budget, I had proposed to allow import of gold by Indians including persons of Indian origin as part of their baggage on payment of import duty at the rate of Rupees 450 per 10 gm, which worked out to be about 15 per cent in ad valorem terms. I understand that this has hurt the smugglers. In order to make smuggling even more unremunerative, I propose to reduce the import duty on such gold to Rupees 220 per 10 gm.

I propose to reduce the import duty on ethylbenzene which is a raw material used in the manufacture of polystyrene from 40 percent to 25 per cent.

There have been reports of large scale underinvoicing of imports of ball and roller bearings. Many Members of Parliament have represented that this persistent underinvoicing is adversely affecting the domestic manufacturers of ball and roller bearings especially those in the small scale sector. In order to remedy the situation, I propose to exempt this category of imports from the ceiling of 110 per cent import duty so as to allow the specific rates of duty to become operational. However, the ad valorem duty rates are being reduced in many cases so that the total duty incidence on these items will be lowered in line with the general thrust of the Budget proposals.

At present, computers and computer peripherals with the exception of six specified computer peripherals attract basic plus auxiliary rate of import duty at 75 per cent. In the new Export-Import policy, imports of computer and computer peripherals have been liberalised. It has been represented that in the changed circumstances the duty of 75 per cent is not sufficient to protect the domestic industry. Accordingly, I propose to raise the import duty on these computers and computer peripherals to the tariff peak of 110 per cent. I hope the domestic industry will take note that this is a transitional measure. Domestic industry must gear itself to live with lower levels of protection in future.

In the Budget, I had proposed to levy a duty of 30 per cent on insulated thermoware and vacuum flask. It has been represented to me that this industry is still young and has great potential for exports but needs fiscal incentives for some more time. Accordingly, I propose to restore the full exemption from excise duty that was available prior to the Budget.

As an incentive for the readymade garment and hosiery industry which contributes significantly to our exports, I propose to reduce the import duty on certain specified trimmings and embellishments used by this industry from over 100 per cent to 45 per cent.

I am also proposing certain amendments to the Finance Bill seeking to make some changes in the excise and customs tariff. These amendments are generally enabling provisions and have no revenue significance.

The exemption notifications relating to the above changes in the indirect taxes will be laid on the table of the House in due course.

Taking direct and indirect taxes together, the changes I have proposed are expected to result in a net revenue loss of Rupees 331 crores to the Centre and Rupees 271 crores to the States.

I request the Honourable Members to lend their support to the Finance Bill with the modifications I have proposed.

Sir, I move.

Planning Commission Releases Annual Report

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[Text] New Delhi—The Planning Commission visualises a growth rate of about 2.5 per cent in the gross domestic product (GDP) for the year 1991-92.

According to the annual report of the planning commission for 1991-92, released here on Friday, the South-West monsoon was not quite active during the first two months of the season as compared to the previous year's.

Power generation: The report says that the generation of electricity during April-December 1991 was nine per cent higher than in the corresponding period of the previous year, and coal production was 10.9 per cent higher. Crude oil production, however, declined by 7.1 per cent and refinery throughput by 2.1 per cent. Revenue earning goods traffic of the railways continued to maintain an upward trend.

According to the report, the performance of the industrial sector was, however, not encouraging. The index of industrial production in April-June 1991 was 2.3 per cent lower than that in the corresponding quarter of the previous year. Although there was a growth of 0.5 per cent in the next quarter (July to September, 1991), a decline of one per cent was registered in the next two months (October-November, 1991). On the whole, between April and November, 1991, the index of industrial production showed a decline of 0.9 per cent.

The report further says that the performance of the Indian economy during the seventh five year plan (1985-90) was excellent. Nevertheless, the eighth five year plan could not take off on the due date, that is, April 1, 1990, due to the fast pace of developments at the Centre. The new government, however, did not lose time in deciding that the eighth plan will commence on April 1, 1992 and that 1990-91 and 1991-92 were to be treated as separate annual plans.

Economic crisis: The year 1991-92 began with an economic crisis of unprecedented dimensions and also marked the beginning of a new era in planning. In tune with the sweeping changes and developments that took place in many parts of the world, the new government announced a

number of bold and radical policy changes with a view to restoring financial and fiscal balance and revitalising the sagging economy.

In the process, it was decided that trade and industry would be increasingly freed from government control and that planning in India should become more and more indicative and supportive in nature.

During the year under review, mounting fiscal deficits, the ever increasing nonplan expenditure, lossmaking public sector undertakings, and the worsening current account deficits continued to be areas of serious concern and had put a severe strain on the country's economic fabric.

The balance of payments position, especially, worsened to such an extent that, in addition to long-term corrective policy measures, emergency action had to be taken to prevent a default in payments. Being the threshold year for the launching of the eighth five year plan (1992-97), the spillover problems were likely to have adverse repercussions on the implementation of the plan, at least in the initial years.

The primary task of the Planning Commission during the year under review was to reformulate the eighth five year plan so that it was in accordance with the policies, programmes and priorities of the new government taking also into account the shift in the plan period. It also got the 1991-92 annual plan document ready, and finalised the 1992-93 annual plan allocations for the central ministries and the states.

The eighth plan's directional paper entitled "objectives, thrusts and macro-dimensions of the eighth plan" was approved by the National Development Council in December, 1991.

At the very outset, pointing out to the wave of economic reforms that had been sweeping the developing world and the hitherto centrally planned economies, the paper noted that this had important implications for India, too, in the 90's.

Therefore, it stated that the planning commission would now work on building a long term strategic vision of the future. The concentration would be on anticipating future trends and evolving integrated strategies for achieving the highest possible level of development of the country in keeping with the competitive international standards.

Indicative: Planning will now largely be indicative. The new approach to development will be based on "a reexamination and reorientation of the role of the government, harnessing the latent energies of the people through people's involvement in the process of nation building, creating an environment which encourages and builds up people's initiatives rather than their dependence on the government and which sets free the forces of growth and modernisation. The state has to play more of a facilitation role and to concentrate on protecting the interests of the poor and the underprivileged."

Keeping these things in view, the objectives which the eighth plan sought to give priority to were adequate employment generation, containment of population growth, universalisation of elementary education, eradication of illiteracy, provision of safe drinking water and primary health facilities, self-sufficiency in food, generation of agricultural surpluses for export, and strengthening of infrastructure.

The directional paper projected an average annual growth rate of 5.6 per cent of GDP [Gross Domestic Product]. This would be realised by achieving an average saving rate of 21.6 per cent of GDP during the plan, an inflow of capital from abroad to the extent of 1.4 per cent of GDP, and a 13.6 per cent growth in exports.

Public sector outlay: The annual plan, 1991-92 envisaged a total public sector plan outlay of Rupees 72,316.75 crore. This was 11.74 per cent more than in the preceding annual plan. Of this Rupees 42,968.75 crore was in the central sector and Rupees 29,248.00 crore in the states and union territories [UT] sector.

Formulated in the context of the now terminated eighth five year plan (1990-95), the basic thrusts of the annual plan, 1992-93 [as published] were on maximisation of employment and social transformation.

Greater emphasis was also laid on decentralisation of decisionmaking and on involvement of local communities in the planning and execution of development programmes. The programmes benefitting the rural people and the rural areas were given priority over others. Due weightage was also given to the environmental dimension of each scheme or activity.

Food production: In a review of the annual plan (1990-91), the report said the year was the third in a row when the monsoons were favourable. As a result, foodgrains production was around 176 million tonnes, registering an increase

of about six million tonnes over that in the previous year. Similar increases were registered in production of sugar-cane, oilseeds, jute and mesta.

There was a slight decline in the rate of industrial growth during 1990-91 as compared to 1989-90. The index number of industrial production showed a growth rate of 8.6 and 8.5 per cent during 1989-90 and 1990-91, respectively.

Coal production during 1990-91 increased by eleven million tonnes to 212 million tonnes. At 264.6 billion kwh., the generation of electricity also exceeded that in the previous year by about 7.8 per cent. Crude oil production, however, went down marginally from 34.09 million tonnes in 1989-90 to 33.02 million tonnes in 1990-91. In terms of revenue earning goods traffic, the railways recorded a growth rate of 2.1 per cent in 1990-91 over that in 1989-90.

The Indian economy performed rather well during 1990-91 despite the Gulf crisis. The GDP (new series as 1990-91 prices) rose by about 5.6 per cent. However, inflation rate (as measured by the consumer price index of industrial workers) was higher by 13.6 per cent with food index rising by as much as 16.3 per cent, the report said.

The plan outlay and the revised estimates for the annual plan, 1990-91 were as given below:

Annual plan, 1990-91 (Rs. crore)		
	Plan outlay	Revised estimates
1. Centre	39,329.26	38,052.33
2. States and UTs	25,387.54	23,465.77
Total	64,716.80	61,518.10

In addition, an amount of Rupees five crore was released to states and UTs as advance plan assistance for natural calamities. UNI

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